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# Sub-Saharan Africa Report

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14 April 1986

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## BRIEFS

TAKULA, TUBARAO OIL FIELDS--The Takula field, jointly owned by SONANGOL (the Angolan state oil company) and CABOC (Cabinda Gulf Oil Company, a subsidiary of Chevron), in shares of 51 and 40 per cent respectively, is being developed through a loan and export credit package totalling more than USD 350 million. The package will finance new production platforms, completion of the gas injection program, an artificial lift to boost oil liftings and development of a new reservoir. These developments are part of phase four of the Takula project which, according to the Angolan news agency, ANGOP, covers the GSM, ALP and Wamba sub-projects. The loans to SONANGOL are covered by the National Bank of Angola and provided by a consortium of commercial banks, led by the U.S. Bankers Trust Company, along with French banks Paribas and Credit Lyonnais, and the U.S. Citibank. Production on the Tubarao ("Shark") field on Block 2 off northeast Angola may be underway by early 1987. Texaco Angola Prospeccao e Producao (Texpro) confirmed discovery of the new field, which may eventually include up to six wells. [Text] [Luanda SADCC ENERGY III in English No 10 85 p 29] /13104

CSO: 3400/1391

## USE, DEVELOPMENT OF COAL PRODUCTION DISCUSSED

Luanda SADCC ENERGY III in English No 10 85 p 66

[Text] **The transformation of Botswana from an agricultural economy to one where the mineral industry has become a dominant force reflects the development pattern which has led to the present economic development level. Mining in 1973/74 represented about 8.5% of GDP by type of economic activity, and this grew to 27.9% in 1982/83. Although coal represented a small portion of the overall Mineral sector, mining played a very significant role throughout this period.**

Coal as a source of energy represents about 15% of total energy used, while petroleum represents 20%, electricity 17% and wood 48% of the total. Most of the coal used in the country comes from Morupule Colliery with some amount imported where there is a requirement for a washed and graded type of coal (see table below). As reflected in the table, the growth in supply has been modest over the period, representing mostly coal for power production.

Proven *in-situ* steam coal reserves of over 17 billion tonnes have been identified in Botswana. The development of these reserves is still in its infancy, having begun in the early seventies with the opening of Morupule Colliery. The Colliery came into production primarily to supply steam coal to the B.C.L. Nickel/Copper smelter and the adjacent 65 MW B.P.C. power station. From a raw coal production of 400 000 tonnes per annum the smelter complex and power station each consume 38% and

60% respectively. Approximately 2% or less raw coal is used for domestic purposes locally. Power generated is used at the B.C.L. Mines, Selebi-Phikwe Township, Francistown and Orapa Mine, as well.

A new 90 MW power station scheduled for commissioning in 1986 is under construction near Morupule Colliery. Plans are underway to increase the colliery production to 600 000 tonnes per year to meet the power station coal requirements. Power from the new station will be fed into the national grid which connects Gaborone — Jwaneng in the south, B.C.L. — Francistown in the east and Orapa in the west. While the new power station may not altogether replace imported power, it will save Botswana a significant amount of foreign exchange.

Rail transportation costs, because of long distances from existing or potential port facilities, have proven to be the major drawback in the development of Botswana coal resources for the international market. It is unlikely that coal prices in general will improve substantially enough in the foreseeable future to justify large-scale coal development for export.

Projects and studies are underway to increase the use of locally produced coal and in some cases replace imports by pre-treatment of raw coal. Increased utilization of coal is aimed primarily at the local market which at present is not very big by any standard. In the longer term, taking cognisance of the coal reserves' size, optimum utilization of Botswana's coal resources lies in the export market and or synthesis of petroleum products from coal, all of which are huge capital expense options. ■

COAL BALANCE (1000 t)					
	1980	1981	1982	1983	1984
<b>PRODUCTION</b> .....	371	381	415	395	393
<b>LOSS IN PRODUCTION</b> .....					
<b>IMPORTS</b> .....		22	20	30	27
<b>EXPORTS</b> .....					
<b>SUPPLY</b>		403	435	425	420
<b>STOCKS/LOSS/ERRORS</b> .....		+ 4	- 16	+ 17	+ 4
<b>CONSUMPTION</b> .....		399	451	408	416
<b>PRODUCTION OF COKE</b> .....					
<b>POWER PRODUCTION</b> .....		220	273	229	234
<b>AGRICULTURE</b> .....					
<b>MINING</b> .....		152	153	148	150
<b>MANUFACTURING</b> .....					
<b>RAILWAYS</b> .....					
<b>OTHERS</b> .....		27	25	31	34
Source: MMRWA, Energy-Unit					

/13104  
CSO: 3400/1391



## BRIEFS

ERITREAN STATEMENT ON SUDANESE-ETHIOPIAN TIES--Khartoum, Mar 9 (SUNA)--The Eritrean Liberation Front affirmed that the Eritrean revolution is not against any improvement of relations between Sudan and Ethiopia for the interest of good neighborhood, peace, and security, a statement issued here by the Eritrean Front said last night. Eritrea is not part of Ethiopia but an independent entity which had witnessed reigns of colonialism by Turkey, Italy, and Britain, the statement said. The Eritrean statement came following press statement by the Sudanese Foreign Minister Ibrahim Taha Ayyub in which he said Sudan's government considered the issue of Eritrea as an internal issue because Eritrea is part of Ethiopia. However, the Prime Minister al-Jazuli Daf'allah on the contrary dashed the foreign minister's remarks in this regard. The front said it will accept any mediation to be made by Sudan or any Arab countries to solve the Eritrean-Ethiopian conflict through peaceful ways, the statement concluded. [Text] [Khartoum SUNA in English 1020 GMT 9 Mar 86] /9365

TRADE WITH PRC, BULGARIA--Trade protocols were signed this week between revolutionary Ethiopia on the one hand, and the PRC and Bulgaria on the other. The agreements were signed on behalf of revolutionary Ethiopia by Deputy Foreign Trade Minister Comrade Ketsela Mulat. Comrade (Xiang Zhu), the PRC ambassador to revolutionary Ethiopia, and Comrade Georgi Kusov, the Bulgarian ambassador, signed on behalf of their respective countries. During the signing ceremony Comrade Ketsela Mulat noted that to balance trade with the PRC and Bulgaria, efforts will be made by trade organizations in the two countries and in revolutionary Ethiopia to further expand revolutionary Ethiopia's exports to those friendly countries. The ambassadors pointed out that trade between revolutionary Ethiopia and their countries is being expanded. They expressed hope that it will be further strengthened in line with the trade protocols. [Text] [Addis Ababa Domestic Service in Amharic 1700 GMT 20 Mar 86 EA] /9365

CULTURAL, SCIENTIFIC ACCORD WITH GDR--A 3-year cultural and scientific cooperation agreement between revolutionary Ethiopia and the GDR was signed today. The agreement covers culture, higher education, and health care and will further strengthen friendly cooperation between the two countries. The agreement was signed by the WPE Central Committee member and Minister of Culture Comrade Girma Yilma and by Comrade Hans Jagenow, ambassador of the GDR to Revolutionary Ethiopia. [Excerpt] [Addis Ababa in Amharic to Neighboring Countries 1600 GMT 24 Mar 86 EA] /9365

CSO: 3400/1367



GOVERNMENT REJECTS RSA PROPOSAL ON NAMIBIA

Accra PEOPLE'S DAILY GRAPHIC in English 8 Mar 86 pp 1, 5

[Text]

**GHANA yesterday rejected last Tuesday's proposals by racist South Africa on the Namibia independence issue which makes the implementation of the United Nations independence plan for the territory conditional upon "a satisfactory arrangement" for the withdrawal of Cuban troops from Angola.**

A foreign Ministry statement issued in Accra said by this proposal the Botha regime was reiterating the linkage theory which the U.N. Security Council has rejected as extraneous and totally

unacceptable.

The statement said Ghana, in totally rejecting the proposals, considers the U.N. Security Council Resolution 435 as the only acceptable basis for the granting of independence to Namibia.

Ghana, has therefore appealed to all progressive and peace loving countries to continue their political, diplomatic, financial and military support for the South West Africa People's Organisation (SWAPO) so that the people of Namibia, under SWAPO leadership, can regain their freedom and dignity.

/12851

CSO: 3400/1345

## FRIMPONG ADDRESSES NCOS ON DISCIPLINE, UNITY

Accra PEOPLE'S DAILY GRAPHIC in English 8 Mar 86 p 1

[Article by George Amosah]

[Text]

**WARRANT Officer Class One Isaac Frimpong, Forces Sergeant Major (FSM) met senior non-commissioned officers of the Ghana Armed Forces yesterday at a special durbar in Accra and stressed the need for unity and discipline to maintain the December 31st Revolution.**

To an audience of about 400 mainly middle-level management personnel of the Armed Forces at the Burma Hall in Burma Camp, FSM Frimpong alias 'Red Light' declared "if we do not close our ranks and maintain first class discipline, we are in serious problems."

He told the soldiers they have a big task in protecting gains and objectives of the revolutionary transformation undertaken by the PNDC.

And that any corrupting influences such as 'pull-him-down' attitudes, gossiping, disregard of chain of command and other negative tendencies would not help the Ghana Armed Forces in ensuring the independence of the nation.

"The way some of us are behaving is very appalling", the FSM observed in his characteristic plain manner, saying 'soldiers would need to re-examine and re-dedicate themselves in helping the PNDC to achieve objectives set out by the revolution.'

FSM Frimpong told the SNCOs they also have a duty to offer constructive suggestions to their seniors on how to offer effective service to the national effort.

Alhaji Mahama Iddrisu,

PNDC member and Secretary for Defence in his remarks earlier, said the Armed Forces is not a place for making money.

Part of their undertaking as soldiers, he maintained, is sacrifice and should therefore be prepared to defend the country.

The PNDC on its part is doing all it in its power to ensure that soldiers get a better deal for their services, the Council member added.

Alhaji Iddrisu conceded that discipline, which had been falling in the past years, had improved but more remained to be done.

He urged the soldiers to acquaint themselves thoroughly with the PNDC's economic recovery programme because their welfare is tied directly to its success.

The Chief of Staff of the PNDC Headquarters, Lt-Colonel Enoch T. Donkoh contributing briefly to the discussion, called on soldiers to bring their training and high level of efficiency to bear on civilian communities in which they live.

Also present at the durbar to share a few thoughts, was Lt-Colonel Mensah Gbedemah also of the PNDC Headquarters. He asked soldiers to get a good grip of themselves and live up to their responsibilities.

In the "talk back" session, during which some soldiers stated problems affecting their duties, the SNCOs highlighted accommodation both in the service and in retirement, as a "major headache" facing service personnel.

PROMOTIONS IN ARMED FORCES NOW BASED ON MERIT

Accra PEOPLE'S DAILY GRAPHIC in English 10 Mar 86 pp 1, 5

[Text]

**PROMOTIONS in the Ghana Armed Forces will no longer be based on the length of service of soldiers but on merit, the Forces Commander, Major-General Arnold Quainoo, announced in Accra on Saturday.**

He said any soldier who is surpassed by his junior would be kicked out of the Force since it is determined to keep only physically fit and qualified men.

The Force Commander was addressing troops after a two-hour first quarterly route march at the El-Wak Stadium.

The route march which started from the El-Wak Stadium took the troops, made up of contingents from the Air Force, Navy and Army, through the principal streets of Labadi through Cantonments and back to the stadium.

Quarterly route marches are organised by the Arm-

ed Forces to test the physical fitness of the soldiers.

Major-General Quainoo who is also a PNDC member urged the soldiers to be bold to defend the revolution, even at the risk of their lives.

Major General Quainoo asked the troops to be loyal and wary of wealthy individuals who would want to influence them with drinks and money to overthrow the revolution.

He asked the soldiers to respect themselves for the same to be accorded them by civilians.

He noted that complacency was rearing its ugly head in the Armed Forces and asked the personnel to avoid such a situation.

He congratulated the troops on their turn out and hoped that the next march would be attended by all soldiers in the Accra Garrison.

/12851

CSO: 3400/1346

GDR RECEIVES RAILROAD CAR CONTRACT

Accra GHANAIAAN TIMES in English 13 Mar 86 p 1

[Article by Robert Bentil]

[Text]

**A** CONTRACT with the German Democratic Republic for the supply of 130 coaches for the Ghana Railway Corporation has been concluded by the Government.

The coaches are expected to arrive in the country by January, 1987.

Mr Kwame Peprah, Secretary for Transport and Communications, announced this at the fifth 'Meet the Press' series in Accra yesterday.

He said the new coaches would enable the Railway Corporation to uplift and re-vitalize its passenger services.

The Secretary announced further that the Government was working a loan package with the Italian Government for the rehabilitation of the Eastern and Central rail lines.

Mr Peprah explained that the coaches were to be built according to the specifications provided by the Ghana Government. He said Ghanaian engineers would be attached to the coach-builders to be trained to handle the maintenance of the coaches.

The Secretary said the GDR was chosen because of its reputation as the world's number one supplier of coaches.

On the rehabilitation of the Western rail line, Mr Peprah told the forum that it was expected to be substantially completed by the end of the year, adding that at the end of it all, it would be possible to raise one million tons of freight and six million passengers per year.

On re-organization of the City Express Services and the Omnibus Services Authority (OSA), the Secretary said steps were almost complete for the merger of the two companies to ensure a viable public transport authority.

/12851

CSO: 3400/1345

## DPRK REACTIVATING AVEYIME RICE PROJECT

Accra PEOPLE'S DAILY GRAPHIC in English 13 Mar 86 pp 1, 8

[Article by Adwoa Van-Ess]

[Text]

**THE Aveyime Irrigation Project in the Volta Region which was initially intended for sugarcane cultivation is being reconstructed for paddy rice cultivation to meet the requirements of the people.**

Consequently, the Irrigation Development Authority (IDA) is undertaking rehabilitation works on the 100 hectare field with a five-man team from the Democratic People's Republic of Korea (DPRK) providing technical assistance.

These were made known to newsmen yesterday by Mr Samuel E. K. T. Seddoh, Project Manager of the Aveyime Rice Irrigation Project when he accompanied the General Operations Assistant to the Secretary for Agriculture, Col Francis Agyemfra, to inspect the progress of work on the farm.

He said the technical team has already redesigned the field for paddy rice farming and added that the canals will also be realigned to ensure the distribution of enough water to the field simultaneously.

Mr Seddoh said a new and bigger pump is being installed to enable more water to be pumped directly onto the field and avoid the present situation where the water pumped

must first be collected into a reservoir which takes time to be filled before spilling it onto the field. This process, he explained, wastes much time, water, fuel and fertilizer.

After the rehabilitation works, Mr Seddoh said the farm will be shared among the inhabitants to cultivate.

He mentioned lack of machinery, transport and irregular supply of fuel and lubricants as the factors hindering the rehabilitation exercise and therefore appealed to the Ministries of Agriculture and Finance and Economic Planning to help them solve these problems.

Mr Choi Kyoung Rok, the Irrigation Engineer, expressed the hope that after the rehabilitation exercise, the output could be doubled or tripled to produce enough to feed Ghana.

Later, Col Agyemfra commended the workers for the good work done so far and urged them to keep up that spirit.

He thanked the Government of the DPRK for its assistance to Ghana so far and assured them of the ministry's assistance to enable them to complete the work on schedule.

He urged the IDA staff to co-operate with the Koreans to ensure that the project becomes a success.

/12851

CSO: 3400/1345

## BRIEFS

SENIOR CIVIL SERVANTS APPOINTED--The Ministry of Public Service has announced the appointment of senior officials in the public service. Mr Tom Thabane has been appointed secretary to the Military Council, Mr P.K. Moonyane is to be the principal secretary in the Ministry of Foreign Affairs, Mr Thabo Makhakhe has been appointed principal secretary in the Ministry of Water, Energy, and Mining, Mr R.T. Mochebelele is to be the principal engineer for the Lesotho Highland Water Project, Mr A.L. Thoahlane has been appointed principal secretary in the Ministry of Labor and Manpower Development, Mr J.M. Lepele is to be the director of field services in the Ministry of Agriculture and Marketing, Mr M.K. Tsekoa has been appointed principal secretary in the Ministry of Education and Culture, Mr C.M. Rakubutu is to be the director of the Instructional Materials Resource Center in the Ministry of Education and Culture, and Mr Mphosi Matete is to be chief fish production officer in the Ministry of Agriculture and Marketing. According to the circular, these appointments are to be effected not later than 1 April 1986. [Text] [Maseru Domestic Service in English 1600 GMT 14 Mar 86 MB] /6091

CSO: 3400/1318

NATION'S PORTS POTENTIAL FOR REGION DECLINING DUE TO WAR

Johannesburg THE CITIZEN in English 22 Mar 86 p 12

[Text]

MAPUTO. — Mozambique's three Indian Ocean ports once were a source of great hope for the Black nations of Southern Africa — a means of getting their produce to the world without sending it through South Africa.

But in the 11 years since Mozambique won independence from Portugal, the dream has faded for such countries as Botswana, Swaziland, Zambia and Zimbabwe. Despite appeals for Black African nations to stop doing business with South Africa, that country still handles the bulk of the trade of its landlocked Black neighbours.

"It's a vicious circle," remarked the Dutch vice-consul in Maputo, Mr John Roosegaarde-Bischop. Holland has been helping to improve Mozambique's port capacity.

"The Mozambicans have to prove the safety and efficiency of the road, rail and port system before businessmen will utilise it more. But how can they prove it when businessmen won't use it until they're satisfied."

Reasons cited for avoiding Mozambique's ports at Maputo, Beira and Ncala are chronic inefficiency, lack of skilled managers and technicians, antiquated equipment and the protracted civil war between the Marxist government of President Samora Machel and an anti-communist insurgent movement.

A world bank survey on Mozambique last year said the flow of international transit traffic on Mozambique's 3 000 km railways declined by 80 percent in the 10 years between 1973 and 1983. At the ports, the traffic dropped by around 70 percent — from 13,4 million tons in 1973 to 3,6 million in 1983.

"The single most important constraint is the security problem," said the report. Guerrillas of the Mozambican National Resistance have blown up bridges, ambushed convoys and damaged tracks, locomotives and rolling stock.

The report also cited the shortage of managerial and technical staff, depleted in 1975 when 90 percent of the 250 000 Portuguese in the country

fled upon independence.

Mozambique's colonisers had held jobs at all levels of the economic strata, from managers to taxi drivers, and did not encourage Mozambicans to acquire skills.

Other factors cited by the World Bank include the unreliability of transport services, a 20-year backlog of maintenance work and shortage of food and other basic commodities which affect worker morale and productivity.

A reflection of Black Africa's hopes for Mozambique was a decision by the Southern African Development Co-ordination Council to pour 60 percent of its planned transport investment into the country. The nine-nation regional body was set up in 1980 to lessen economic dependence on South Africa.

There are compelling political reasons for countries such as Zimbabwe "to look for alternatives to its heavy dependence on South African routes", remarked Mr Abraham Schneiders, Netherlands Ambassador to Mozambique and Zimbabwe.

The Netherlands has



spent more than R128 million since 1981 trying to rehabilitate Mozambique's second-biggest port at Beira, about 240 km from Zimbabwe's border.

But despite the port's proximity, Zimbabwe's businessmen seem to pay little attention to exhortations by the country's politicians to abandon the South African trade routes and the ports of Durban, East London and Port Elizabeth. — Sapa-AP.

/13104

CSO: 3400/1389

## BRIEFS

**DANISH MINISTER BACKS AID**--Foreign Minister Uffe Ellemann-Jensen (Liberal Party) in a proposal to the parliament foreign affairs committee favored continuing the Danish contribution to the Nordic Air Program in Mozambique, MONAP. This is to be done following a postponement of projects due to problems of security over some period. The program approved in 1978 is to expand that country's agricultural production. The proposal, which is to be discussed in the committee on Wednesday, assumes that 55.7 million kroner of foreign aid funds will be spent in 1986 and 1987. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 18 Mar 86 p 11]/12766

**FUNDS SOUGHT FOR BEIRA PORT**--The nine member states of the Southern Africa Development Coordinating Conference will meet representatives of potential sources of funds for the rehabilitation of the port of Beira in Maputo during April, probably on the 17, 18 and 19. They will submit a modernisation plan for the port covering a ten-year period. Beira is vital for Zimbabwe, Malawi and Zambia, saving Zimbabwe 105 and Malawi 180 dollars for every tonne of cargo exported through the port instead of via South Africa, according to the Harare Herald newspaper. The annual saving in hard currency is 269 million dollars. The development plan for Beira is designed to increase its cargo handling capacity from 1.3 million tonnes to 5.1 million, at an estimated cost of 661 million dollars. Meanwhile the United States will pay for urgent repairs needed to the railway from Beira to Zimbabwe, in partnership with the National Railways of Zimbabwe. This line has suffered greatly from attacks by Mozambique National Resistance rebels in spite of the surveillance of Zimbabwean troops. This week the MNR said it had destroyed a section of the line and occupied five military posts in the Beira area. At the last SADCC summit in Harare on January 30 the question of collective defence of regional projects completed or underway reportedly won consensus approval of the participants. This question is of particular importance for countries like Mozambique and Lesotho. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 8 Mar 86 p 6] /9274

**FIRST WELL FOR ESSO OIL**--The Esso oil company is to drill its first well some 15 kilometres from the town of Mocimboa Da Praia in the extreme north of the country. Esso obtained a concession in May 1983 covering 13,000 square kilometres, in partnership with Shell. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 8 Mar 86 p 8] /9274

CSO: 3400/1332

SWAPO LEADER NUJOMA DISCUSSES GAINS IN LIBERATION STRUGGLE

Interview in Lagos

Kaduna SUNDAY NEW NIGERIAN in English 2 Mar 86 p 7

[Article by Kelly McParland, Assistant Editor, Gemini News Service]

[Text] What will be left of Namibia by the time South Africa is forced to end its occupation of the arid colony in southwest Africa? According to Ndugu Sam Nujoma, President of the South West Africa People's Organisation (SWAPO), not much.

Nujoma says the South Africans and the transnational corporations with activities in Namibia are in the midst of what amounts to an economic scorched-earth policy.

Diamonds, copper, uranium, beef and even the wildlife are being systematically carted off to South Africa or to Western countries.

Ndugu Nujoma says SWAPO, the leading guerrilla organisation fighting for independence in the territory, recently learned of a significant oil strike by the American Chevron company, which is said to have the potential to meet 65 percent of South Africa's needs.

That too is to be drained, he says, with plans for laying pipeline already underway.

The aim of the policy is to get as much wealth out of Namibia as possible before Pretoria is forced by international and internal pressures to comply with the UN, which has declared South Africa's presence in Namibia illegal, and with the five-nation "contact group" which is trying to negotiate its withdrawal.

Namibia's diamond mines are reportedly being systematically overmined, with the excess stored in Kimberley or London to prevent the resultant world surplus from affecting prices.

Experts have testified at an internal hearing in Namibia that the potential life of its diamond mines has already been severely reduced. Allegations of serious tax and export misdealings have also been raised regarding South Africa's control of the mines.

Nujoma, who visited Harare recently to attend the fifth annual conference of the Southern Africa Development Coordination Conference (SADCC), the nine-member organisation dedicated to lessening economic dependence on South Africa, says zinc, lead, copper, uranium and other metals are likewise being stripped from the ground and shipped out of the country.

Live Namibian cattle are trucked out daily, to be slaughtered in South Africa and re-exported to Namibia as dressed meat. As a result, beef prices in the occupied territory are higher than in South Africa even though the meat is locally-raised.

Surprisingly, Nujoma does not threaten reprisals against the transnationals that are cooperating in the policy of economic annihilation.

Says Nujoma: "As far as SWAPO is concerned those transnationals are exporting Namibian resources against the wishes of Namibians...They are illegally there, and they are also responsible for the crimes that are being carried out by South Africa against our people because they are paying taxes that South Africa uses to purchase weapons to kill people".

In an independent Namibia, he says, the same companies might remain, but would be expected to alter their practices "After Namibian liberation those companies ought to enter into new agreements with the independent government of Namibia, based on mutual respect, understanding and benefit to all."

He is equally conciliatory toward the future of white Namibians, who today rule the country under proxy by Pretoria: "We are not saying the whitest must leave Namibia. All we are saying is there must be equal rights for all, equal opportunity for all our citizens.

"There must be equal opportunity in education, in medical facilities; there must be equal freedom for all people no matter of colour or whatever. And this is exactly what the white settlers are opposing".

Namibia would be one of the poorest members of SADCC were it to join as an independent nation, a fact Nujoma acknowledged. The country, he said, "cannot exist" without help from its neighbours.

Although the organisation's nine members have made substantial moves toward alleviating economic dependence on their white-ruled neighbours, South Africa's dominance of the region was clear in the recent Pretoria-inspired economic blockade and coup in Lesotho, and mounting fears of a similar blockade in Botswana, both SADCC members.

Lesotho attended the conference and made a brave pledge to continue harbouring refugees and abide by international conventions to which it was a signatory.

Botswana was not so calm in the face of the potential storm. President Quett Masire said in Gaborone that Pretoria could easily isolate the country and prevent goods from either entering or leaving.

Said Masire: "One thing is certain: We know our economy would be terribly crippled if this blockade took place, and our lives would be turned to misery". A few days later the official Botswana media warned residents that Pretoria was prepared to attack the country.

If forecast: "...military action against this country is in the cards in Pretoria. To think otherwise would be the height of folly".

Despite the storm clouds, Nujoma was optimistic about the effort to tame apartheid, arguing: "We know South Africa's weaknesses, because we have fought them for 20 years."

The South African war machine was not the invincible juggernaut Pretoria liked to make it out, and the decline in the economy was seriously hurting morale, particularly among the business community.

"Whites don't continue to live in a place where they don't continue making profits", he argued. SWAPO's policy of blowing up the bridges, railways and roads essential to the economy is aimed at crippling those profits.

Recently the guerrilla forces succeeded in cutting electricity supplies to mining installations, forcing power to be supplied directly from South Africa, he said.

Insisted Nujoma: "Certainly we will all see in our lifetimes the collapse of the Botha regime. Namibia will be free."

#### Interview in Harare

Dar es Salaam SUNDAY NEWS in English 2 Mar 86 p 2

[Interview by Ike C. Unegbu: "We Can Now See the Light -- SWAPO Leader"]

[Text]

THE leader of the South West African People's Organisation (SWAPO), Mr. Sam Nujoma was recently in Lagos to attend a meeting of the Organisation of African Unity (OAU) Liberation Committee.

Our man Ike C. Unegbu cornered him at the Federal Palace Hotel for a chat on the progress achieved so far in the liberation struggle in Namibia. The following are excerpts from the interview:

**SNN:** What would you say you have gained so far in your liberation struggle?

**SAM NUJOMA:** I must say the future is bright. After fighting for the last 20 years, we can now see the light at the end of the tunnel. All the same, there are still some

obstacles on the way that we have to remove which is South Africa's racist soldiers and its colonial institutions that they have imposed on our people.

We know that the enemy (South Africa) is exhausted, the economy has gone down and the Kuggerrand which was one of the prides of the racists is now nothing compared to other convertible currencies.

Furthermore, the whites, for the first time, are affected by unemployment problems. In Namibia, the whites are scared and their soldiers demoralised. In desperation, the racists have now resorted to using black youths as cannon fodder.

The situation now in Namibia is just like the one in Vietnam

where the United States of America started conscripting blacks to prosecute its war there.

Even the Portuguese, shortly before their defeat in Angola, resorted to recruiting of blacks who at the time formed the majority in its colonial army.

Again, the situation in Ian Smith's clique in Southern Rhodesia (now Zimbabwe) comes readily to mind. They used a large number of blacks before the collapse of that regime.

So also in Namibia today, the Boers who never trained blacks in the usage of arms until the black nationalists started their liberation struggles; in fact they started training the blacks only about six years ago. They now conscript virtually every able-bodied Namibian into the South African war machinery.

This is a clear indication that the enemy is about to collapse. Today, South Africa is the largest employer of mercenaries in the world. We are confident that the popular uprisings in South Africa itself would continue and we also believe that the armed struggles themselves are just beginning.

Actually, it would be foolhardy for the racists to believe that after dying in such large numbers, the blacks would suddenly give up the struggle. No, never! The blacks must look for ways to hit back. All the same, the situation in general is very encouraging and favourable to the revolution.

But because the racist regime of South Africa is supported by all the capitalist countries, especially its imperialists, we have to fight hard. This is not the time to relent our efforts, rather now is the time to intensify both military and political actions in order to liberate our country.

SNN: President Reagan has continued to insist that independence would be granted to Namibia only after Cuban troops are withdrawn from neighbouring Angola. What is your reaction to this?

NUJOMA: That is typical of U.S. imperialists. They always support the wrong horses. They never support genuine people's struggle for freedom. For instance, in Angola today, they support the minority white racists, against the interest of blacks who are in the majority.

What do you find today in the Middle East? There they are supporting Zionist Israel against the Palestinians and the Arabs in general. To be candid, the U.S.

has never been fair. That is why we strongly condemn the Reagan administration for linking Namibia's independence to the withdrawal of Cuban troops from Angola.

The Peoples Republic of Angola is a sovereign state and it has the right to enter into agreement with any other state. In this particular case, Angola is being harassed by South Africa, which is armed by the U.S., therefore it has to seek support to defend her territorial integrity.

SNN: As a man on the spot, what are the implications of President Reagan's policy of constructive engagement on the liberation struggle?

NUJOMA: As far as we are concerned, constructive engagement is a deliberate policy adopted by the Reagan administration with the sole purpose of giving weapons, financial and diplomatic support to the racists. We have just witnessed in November last year U.S. and Britain exercising their veto powers in the U.N. Security Council to frustrate a draft resolution which was intended to introduce economic sanctions against the racist regime in Pretoria. That is what constructive engagement is all about.

It is just imperialist support for their clients in South Africa, because as far as I am concerned, South Africa is a joint colony of the imperialists. Without the support of Britain, West Germany and the United States, the racists would have been defeated long ago in Namibia by SWAPO.

We also see the hypocrisy of imperialism. They claim that they believe in justice, freedom, human rights and what have you, but when the majority of the people in Namibia and South Africa demand human rights, the imperialists side with those who deny others of those same fundamental human rights.

SNN: Would you say that independent African states are doing enough in support of freedom fighters in South Africa?

NUJOMA: I must say that independent African states who are members of OAU are doing very



well in support of our freedom and independence. You see, we should not be selfish in Namibia simply because we are not yet free.

Rather, we must thank the OAU which has helped in all the liberation struggles on the continent. Guinea Bisau, Cape Verdes, Mozambique, Angola and lately in Zimbabwe. With the help of OAU member states, all those countries are free today.

Come to think of it, the entire continent of Africa is free today with the exception of occupied Namibia and apartheid South Africa. I am quite convinced that the Boers (white South Africans) would never escape defeat by the powerful forces of Pan Africanists in Namibia and South Africa, particularly in Namibia whose independence is inevitable.

I know the racists never thought that they would one day sit next to a black man. But today, the whites bent on manoeuvring events over there, sit with some of puppet Namibians, something a Boer never thought was possible before.

All this they do in order to deny SWAPO power, but we are quite vigilant enough: as we did with the puppet regime of the Democratic Turnhalle Alliance (DTA) from 1979 to the beginning of 1983.

We fought against it so hard that regime collapsed. We know exactly what to do with their present arrangement just intensify the war and it would finally be brought down.

SNN: How does the Buthelezi factor affect the liberation struggle in Southern Africa?

NUJOMA: Buthelezi (Kwazulu Chief) is being used as a tool to delay the independence of South Africa. For instance, I heard over the BBC towards the end of last year that a British lawyer was sent to investigate a case in South Africa.

He said that on getting there he met a South African black lawyer whose house had been set ablaze by supporters of Buthelezi. The black lawyer narrowly escaped being burnt to death and rushed to lodge a complaint with the police and to seek help to rescue his children trapped in the burning house.

Now, while he was reporting his case, a black man just walked

in with a gun in his hand and said to the police officer: "Oh boss I have exhausted my bullets, please give me more," and the black lawyer immediately recognized him as a Buthelezi thug. So you see Buthelezi is just like that. He is a puppet in the service of the enemy.

SNN: As we have witnessed in recent past, armed struggle has brought a lot of victories for the freedom fighters in Southern Africa. Would you, therefore, recommend setting up of African High Command to speed up matters there?

NUJOMA: Well, African High Command is intended to have a different task altogether, not necessarily fighting in the colonies. The tasks of liberating the colonies is that of the indigenes of those territories, while the OAU member states give the freedom fighters the weapons, finance and diplomatic support and they have been doing very well.

The aim of setting up the high command as advocated by Late Dr. Kwame Nkrumah was to defend the continent from being invaded by imperialists.

You see, Africa was colonised by various imperialist countries, namely the British, Portuguese, Spaniards, French and Belgium and they used to extract huge profit from Africa's raw materials. As it is, those imperialist countries have exhausted their own resources in Europe, so one day they may think of invading Africa to replenish their stocks.

The establishment of an African High Command, therefore would discourage any such moves.

For instance, if there was an African High Command it would have readily backed up Libya which is now being harassed by US imperialists. In view of the crucial role it is bound to play on the continent, we in the liberation movements support the idea of establishing an African High Command.

SNN: What would be the relationship between the races under a freed Namibia?

NUJOMA: As far as SWAPO's policies are concerned, after defeating the colonial forces we would certainly set up a people's government, a government that would have to be elected by the people. It would be a government



that would cater for the interest of the Namibian people irrespective of their colour, race or religion and that includes the whites too.

Namibia is a huge country with enough resources to enable every Namibian to live well if they utilised it for that purpose, unlike now when all the uranium, copper, zinc and diamond etc are exclusively used for the benefit of only the minority white racists while the blacks who form the majority are left to suffer from hunger, disease and ignorance.

As regards our internal policy, it would be geared towards uplifting the standard of living of the masses of our people who have been oppressed for too long.

Our foreign policy would be based on positive neutrality and non-alignment. SWAPO is already a member of the Non-Aligned Movement and we pay allegiance to that organisation. Namibia under a SWAPO government would join the OAU and the United Nations Organisation (UN), in order to maintain peace and security.

SNN: What do you say about the bogus claim by the whites that the blackman is not yet ripe for political independence, I mean self-rule?

NUJOMA: That is an insult to the integrity of the African people. Which area in the world does not experience instability? Even in America, you have people who suffer from hunger, and who also sleep in the streets of New York and Washington without food and yet this country that says it is the richest in the world.

We do not accept all those whiteman's insults that the blackman is not ripe for self-rule because there is political instability among African governments. That is not true. Africa is peaceful.

Africa does not wage war against other sovereign states like America did in Grenada and is doing in Nicaragua. There is no African country that has taken its warships and invaded any European country. They are just jealous that Africa is peaceful.

Actually, they expected that when a country like Zimbabwe

got its independence it would collapse after a few months and because that did not happen, the imperialists therefore embarked on what I would call cheap propaganda.

SNN: How did the SWAPO freedom movement start?

NUJOMA: SWAPO was formed in 1960 but armed struggle did not begin until 1966. The achievement of independence by Ghana and some African states greatly encouraged us in the South. So we organised SWAPO, first underground and when it surfaced, it shocked and surprised the whites who felt that they could just liquidate the struggle by arrests.

I was first arrested and put in prison then I later escaped from the country in 1960. However, I

escaped and went to New York to petition the fourth committee of the UN General Assembly. After that, I returned to Africa and headed straight for Tanganyika, now Tanzania where we opened our first office. We still pursued our struggle through peaceful means to mobilize our people. We organised strikes and demonstrations in order to bring to the minds of the racists that it was about time they accepted our just demands for independence.

But all our peaceful efforts were met by brutal force so we had to look for ways of hitting back. And as a result, we started to train our people in the usage of arms. I mean, how on earth can we content ourselves with living forever under the ruthless domination of the racists who enslaved us in our own fatherland.

As I said at the beginning, we are beginning to see the light at the end of the tunnel, so now is the time to fight harder because the racists are desperate now.

There was a demonstration just the other day in Namibia, where 700 people including ~~for~~ the first time whites were arrested. You see even the whites themselves are already fed up with the Botha regime and thus beginning to understand the cause we are fighting for.

FURTHER REPORTS OF THIRION COMMISSION OF INQUIRY FINDINGS

Gypsum Slowdown Charged

Durban THE DAILY NEWS In English 10 Mar 86 p 3

[Text] WINDHOEK: South Africa's Portland Cement Company is suspected of deliberately trying to hamper the exploitation of gypsum in SWA/Namibia to prevent a cement industry being established there so that South African manufacturers could retain their monopoly.

This has emerged from the Thirion Commission of Inquiry into SWA/Namibia's mining industry, made public here on Friday.

Commission Chairman Mr Justice Pieter Thirion said there was a strong possibility that Portland Cement's subsidiary, Portland Cement SWA had been "landlocking" by tying up prospecting claims on land known to have significant deposits of limestone and gypsum. This would have had the effect, he said, of preventing other agencies from exploiting the deposits and would prevent the establishment of a local cement industry.

When the prospecting grants were originally given to Portland Cement in the early 1970s, attorneys for the company assured the territory's Mining Commissioner that there was a firm intention to build a cement factory and establish the industry here.

However, noted the commission chairman, although all indications

were that there were large deposits of limestone in the Portland grant areas, the company did little in the way of work on the claims right up to last year, when its interests were being looked after by one of its associates, Namibi Cement.

Mr Justice Thirion noted that Portland had objected to the fact that it was not allowed to defend itself in hearings before the commission. However, he added that a subsequent offer to the company to put its case was turned down.

In his conclusions on the Portland case, Judge Thirion said greater vigilance should have been exercised by the State departments involved. He also recommended that in future, the authorities should be empowered to cancel such prospecting grants if it appeared the company was not doing enough exploration work and there was a possibility of "landlocking".

## De Beers Rejects Findings

Durban THE DAILY NEWS in English 10 Mar 86 p 3

[Text]

JOHANNESBURG The De Beers mining house today rejected the finding of a judicial commission that it over-exploited SWA/Namibian diamond reserves.

A statement by Consolidated Diamond Mines, a De Beers subsidiary, said the company was confident it could satisfy an impartial inquiry that its policies did not deplete the reserves.

"CDM rejects the commission's findings relating to the conduct of its affairs," the statement said.

"The company remains confident of being able to satisfy any impartial inquiry by appropriately qualified investigators that CDM's mining policies and practice have at no time rendered unpayable any known diamond-bearing ore reserves in the Sperrgebiet which otherwise would have been capable of being mined at a profit.

"On the contrary, previously unpayable ground has been rendered payable by the successive introduction of innovative and cost-effective new mining

methods, whose impact will be to leave the minimum number of diamonds unmined at the end of the life of the mine."

The commission's finding that excessive depletion in respect of grade and stone size occurred, showed "not only the failure by State officials to exercise control and supervision but also the need for such control and supervision because of the alleged prejudice to the State".

The commission's investigations were broadened and the report focused on CDM rather than the State.

The commission also failed to call on the company's evidence, the statement said.

"It is particularly unfortunate that in reaching conclusions on the complex and technical subjects of mining economics and life-of-mine planning the commission should have failed to call for evidence or explanation from the mining company itself, or to have visited the mine or inspected its records."

/12851

CSO: 3400/1342

RUSSIAN ACTIVITIES IN AJAOKUTA, PROGRESS OF STEEL MILL

Lagos DAILY TIMES in English 3 Mar 86 p 5

[Article by Charles Anyiam]

[Text]

**F**ILM makers in search of an ideal location has one ready at Ajaokuta, the home of Nigeria's steel mill.

It's rolling rocky hills in the tropics is picturesque.

Located on the West Bank of the River Niger and bounded to the south by Okene where the Ajaokuta Steel Company Limited derives a bulk of the iron ore needed for its productions, the town also provides a veritable racial and cultural melting pot where Africa,

Europe and Asia blend harmoniously in a way that has turned out to be mutually beneficial.

Above all else, the Russians who are in the majority (Ajaokuta Steel Company has a contract with M/S V/O Tiajpromexport of the USSR for supply and erection of equipment, and training of personnel) have turned Ajaokuta to a little Soviet resort and they feel really at home. In fact, the Soviet embassy maintains a consulate there, headed by a very senior consular officer to look after their interests.

Unlike so many other villages surrounding the town where the grinding poverty of the inhabitants stare you squarely in the face, Ajaokuta boasts of a well-fed and healthy looking populace, who are involved in one way or the other with the steel mill.

Recorded information show that the Ajaokuta Steel Company Limited, a Federal

Government wholly owned firm was born on September 18, 1979, following the promulgation of Decree Number 60 which dissolved the then National Steel Development Authority (NSDA). At the moment, the first phase of the steel complex is fully operational and is made up of such major units; Iron making plant with coke oven, sintering plant, and blast furnace; steel making plant with a mixer, oxygen converter, and continuous casting machine; ~~for~~ producing semi-continuous billets; medium section and structural materials, light section and bar, and wire rod.

The first phase also covers such other areas as repair facilities with foundry and workshops, auxiliary facilities such as refractories, lime plant, gas facilities, and thermal power plant/turbo blower station.

But the project in the Ajaokuta Steel Complex which is close to the hearts of many Nigerian industrialists, is the

flat steel production which comes under the second phase. The plant is expected to be ready in 1988, according to officials of the company.

"The siting of the flat products plant within the Ajaokuta Steel Complex is not by accident but through a carefully calculated and deliberately planned administrative genius, in that the Ajaokuta Steel Company has all the required facilities on which a firm foundation would be laid for the immediate take-off of the all important plant", principal public relations officer of the company, Mallam Ibrahim Argungu said.

Lending weight to the above statement, the general manager, Mugaji Muhammed Inuwa said "The Federal Government has decided to accelerate work on the flat steel plant which will serve Nigeria's automobile industry. We are now busy articulating that product.

"The timing will depend on many factors, including that of financing. So, the speed with which we roll out flat products will depend on the route the government chooses for financing the flat products," he said.

Argungu also said that the establishment of flat products plants has in fact added a new dimension to the entire iron and steel development plans of the country in that flat products constitute about 50 per cent of the total steel consumption in Nigeria.

Products from this plant would include pipes, tubes, for the petroleum and other industries, galvanised sheets and flat sheets for auto bodies and various categories of domestic appliances such as refrigerators and filing cabinets.

According to Argungu, the

Ajaokuta Steel Plant is, in concept, based on the traditional blast furnace process of steel making and is conceived as a fully integrated iron and steel plant designed primarily for the production of billets, light sections, bars, wire rods, angles, squares, channels, beams and flat sheets and plates.

The first phase of the complex is to produce an estimated 1.3 million tonnes of finished steel products yearly. And, an immediate expansion to 2.6 million tonnes (including 1.3 million tonnes flat products) is expected to be achieved soon.

## Capacity

Officials, however, expect an ultimate production capacity of 5.2 million tonnes a year when the first phase is fully commissioned in 1989, for the plant.

Raw materials for the plant which include iron ore, limestone, dolomite, and cooking coal are largely derived locally.

For instance, the Associated Ores Mining Company Limited at Itakpe, near Okene in Kwara State supplies iron to the mills while limestone and dolomite are supplied from Jakura and Burum respectively.

Besides steel products, Argungu said, the plant will generate by-products such as slag, which is an important component for making cement when it is fully commissioned. Others include benzol, naphthalene, anthracene, phenols, ammonium, sulphate (for making fertilizer).

"These and other ancillary factors will support a large number of downstream factories expected to be established in the vicinity."

/12851

CSO: 3400/1340

# INFLATION, CUTS MAY PUSH WORKERS TO AGITATE FOR MORE PAY

Ikeja NEWSWATCH in English 17 Feb 86 pp 42, 43

[Article by Lawson Omokhodion: "Clouds Hang Over Industries"]

[Text]

**M**ost of last year was free of industrial crisis. But as the year dragged to a close, there were signs of restiveness in the labour camp. A violent labour crisis rocked Volkswagen of Nigeria Limited and a not-so-violent one enveloped First Bank and Union Bank.

Preparations for labour discord appear to have matured early this new year. Last month, two companies — Cadbury Nigeria Limited and Dunlop Nigeria Limited faced an unpleasant labour eruption. Union and management teams of the companies entered into a dialogue.

The crisis in Dunlop and Cadbury centres on demands by junior staff for more money. In Dunlop, the workers presented a three-point demand in which they want a 20 percent increase in salary, a general upgrading of jobs and the replacement of the motor-cycle loan scheme with car loans. In a separate forum, the union had also demanded that a general good performance award be granted the junior staff for their contributions in 1985. Union officials say their demand is non-negotiable and the company will not know peace until their demands are met.

Dunlop officials told *Newswatch* that the workers' union was "getting stupid." The workers, officials said, were paid their salaries regularly with 100 percent Christmas bonus last year, and that each of them received a coupon with face value of N250 at the end of the year. To further ask for more, they say, is tantamount to greed.

The officials maintain that the 20 percent salary increase can not be granted because of the current wage freeze. In addition, Dunlop management is of the view that to grant a worker on an annual salary

of N3,000.00 a vehicle advance of N8,000 that should be repaid in four years, is to accede to a "dangerous demand."

When negotiations broke down between the union and the management, the junior workers embarked on a "go-slow" action. Dunlop management claimed raw materials were being wasted and the cost of production was running up. On January 19, the company's factory was closed.

The case was referred to Patrick Koshoni, Minister of Employment, Labour and Productivity, for resolution. The minister, in turn, requested the Industrial Arbitration Panel, IAP, to walk in. While the IAP was sitting, the minister ordered that the factory be re-opened and the workers recalled. The union agreed. On January 31, Dunlop's machines roared back to life.

But the war continues. Discussions are being held between the feuding parties. Says a junior staff of the company, "we have started to work, but our jobs must be revalued." Dunlop is scared that should the revaluation of jobs be carried out, the company would incur additional cost in the form of higher wages. Dunlop's production is below 50 percent of its capacity.

**A**s efforts were being made to resolve the Dunlop crisis, Cadbury Nigeria, the giant of the food, beverages and confectionery industry, was stepping into the news. The company that had enjoyed a period of relative calm, since the most unpleasant labour crisis of 1982, during which the company was shut for three weeks, is now being confronted by union officials. The workers are not unhappy with their salaries, rather they



want the reactivation of the company's incentive bonus which was put in the cooler in July 1984.

The bonus was designed to ginger workers into greater productivity. Prior to 1984, this scheme worked quite well. Twice a year, workers were collectively rewarded for achieving a performance level the company thought was commendable. For instance, in the first half of 1984, junior workers earned a total bonus of N132,113.

Nike Banjo, public relations manager, told *Newswatch* that the company had been operating at about 30 percent of capacity and so it would not make sense to grant any incentive bonus where the normal production volume could not even be attained.

Because of the disagreements, production staff began a "go-slow" action. On January 31, Christopher Kolade, managing director, shut down the factory. Before this, the company claimed it had lost over three million naira in the go slow action. The loss was calculated from raw materials wasted, man-hours lost and the sales that were not made.

There is another issue in dispute. Last year, Cadbury undertook a job evaluation programme as a result of which over 80 percent of the junior staff were regraded higher. By the regrading, majority of junior workers were no longer required to "clock-in" when they come in the morning or leave at the end of the day.

This, Cadbury officials say, created a problem of discipline. Because of this,

management directed that all junior and production staff would from February 1, go back to the "clock-in" routine, and management staff would sign-in when they resume in the morning.

The junior workers disagreed. But Banjo maintains, "the question of clocking is not an issue. The policy of the company is that it should be. It is not debatable."

Last week Kolade made a conciliatory move. He asked workers in all, but two departments to resume work, after signing a bond to be of good behaviour. Some of the workers responded but union officials ordered them not to comply because an order for workers to return to work had not been given by the union. But because junior staff who are paid fortnightly, did not receive the second half of their January salaries, by last week, the workers' resistance crumbled.

By the middle of last week, after the meeting of the junior staff of the company, held outside the factory gate, the union decided to return to work and continue the negotiations. The decision brought relief to Cadbury senior staff who had been abandoned by their drivers, cooks and stewards.

The labour unrest in Dunlop and Cadbury may be a pointer to what the future has in store for business organisations in the year. Effects of the salary deductions and inflation may force workers to demand wage increases. How these demands are handled by employers will determine the state of labour relations this year.

/12851

CSO: 3400/1340



CRUDE OIL CONTRACT WITH BRAZIL TERMINATED

Kaduna NEW NIGERIAN in English 26 Feb 86 p 20

[Text]

NIGERIA has terminated its offshore crude oil refinery contract with the Brazil's State Oil Corporation, Petrobras, the United Bank for Africa's monthly business and economic digest, has said.

The digest reports in its current issue that the terminated "deemed processing" contract was entered into in January 1984 for the refining of 50,000 barrels of oil per day (P/D) by Brazil's state oil corporation, Petrobras.

It states that Nigeria was receiving petroleum products, especially gasoline in return but reports that not all the 90,000 PD of gasoline under the agreement was sent back to Nigeria, with the quantity in excess of Nigeria's local needs being sold on behalf of Nigeria.

The digest, however, states that the 40,000 PD counter-trade agreement with Brazil's largest private enterprise, Cortia, is not likely to be affected by the ter-

mination of the deal with Petrobras.

It further reports that the NNPC has already signed a one-year deemed processing agreement with TOTAL of France under which the French company will receive every month 200,000 tonnes (48,000 P/D) of Bonny light and Brass River crudes.

TOTAL will supply Nigeria with 120,000 tonnes of kerosine and gasoline monthly, while the excess products from the deemed processing will be bought over by TOTAL.

It is estimated that the national demand for petroleum products is well over 200,000 P/D which is higher than the total domestic refinery capacity: hence the shortfall made up by deemed processing deals abroad, the digest explained.

TOTAL of France had won the annual offers from the NNPC twice, the digest adds. (NAN)

/12851

CSO: 3400/1336

REPORTAGE ON WORK OF OIC SUB-COMMITTEE

Final Report Preparations

Lagos DAILY TIMES in English 27 Feb 86 p 1

[Text]

A SUB-Committee has been set up by the Presidential committee on the implications of Nigeria's membership of the Organisation of Islamic Conference (OIC) which completed its work yesterday.

The sub-committee, according to a communique released in Lagos last night, "will draft the final report and recommendations to be passed to government for further consideration."

The text of the communique reads:

"As agreed at our first meeting in Abuja on February 3-5, 1986, we reconvened in Lagos on Tuesday, February 25, to consider and adopt our report for submission to the President.

"We concluded our work today in the same brotherly atmosphere which characterised our meeting in Abuja.

"We noted with satisfaction that while some misgivings and anxieties over Nigeria's full membership of the OIC still persist, the tension which it generated had reduced appreciably.

"We are grateful for this

and wish to take this opportunity to call upon our brothers and sisters throughout the land to continue to show maximum restraint in their utterances and actions over this matter.

"As we noted in our last communique, the reservations which have been expressed can only be cleared with time and after further consultations.

"We believe that God, in his wisdom, will grant to all of us the patience which this called for.

"The committee has set up a sub-committee to draft the final report and recommendation to be passed to government for further consideration.

"The draft will be considered at the next meeting of the committee scheduled for March 19 and 20, 1986.

"It is our hope that our efforts will help government to arrive at an acceptable solution on this issue of national importance.

"Furthermore, the committee will wish to appeal to the Press to refrain from publications which are likely to be inflammatory".

## Possible OIC Panel Split

Lagos DAILY TIMES in English 27 Feb 86 p 12

[Text]

EYE brows were raised when members of the presidential committee on Nigeria's membership of the OIC arrived at the conference venue yesterday in two distinct groups.

The christian members arrived in one group at 11.15 a.m. while the other group made up of moslem leaders arrived 45 minutes later.

When the committee began sitting at the Nigerian Institute of International Affairs in Lagos on Tuesday, all the members arrived together.

They sat until the evening on Tuesday with a tea break during which members mixed and chatted freely with cordiality in spite of their religious beliefs.

But the cordiality was almost absent yesterday as members arrived and went

straight into the hall.

When confronted for comments, most of the members said "go and see the chairman."

Committee chairman, Lt.-Col. John Shagaya, said there was nothing strange in having the members arriving in two distinct groups.

"When you were in school or even now, don't you move about with the people you like?" he queried reporters.

Explaining why the committee members did not arrive for the meeting until 12 noon yesterday, Lt.-Col. Shagaya said that they had taken copies of the report away for individual study.

Lt.-Col. Shagaya said that the fact that he bears "John" does not make him a devotee of the christian faith.

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CSO: 3400/1338

GOVERNMENT APPROVES GUIDELINES ON SALARIES, WAGES

Kaduna NEW NIGERIAN in English 27 Feb 86 pp 1, 3

[Text]

FEDERAL Government has approved guidelines on wages, salaries, fringe benefits, professional incomes, dividends and prices for 1986.

A Cabinet Office statement Tuesday in Lagos, said no revision of salaries and wages would be permitted this year "in view of the continuing problems of economic recession."

According to the statement, normal annual increments would be allowed, while adjustments in incremental rates would not be permitted.

The statement also said the revision of fringe benefits or the introduction of new benefits would not be valid except with the approval of the Ministry of Employment, Labour and Productivity.

It advised all companies wishing to apply to the ministry for the revision of fringe benefits or for the introduction of new ones to enclose a copy of their productivity schemes drawn up in consultation with their employees.

All festival or end-of-year bonus payments, the statement added, should be regarded as ex-gratia payments and shall not be subject to negotiation, adding that the amount involved should not be higher than one month's basic pay of the recipients.

It also said changes in salaries, wages and fringe benefits should not be back-dated except in the case of promotion or advancement.

The statement also said increases in the fees paid to non-executive board members in the public and private sectors would not be allowed in 1986, while remuneration paid to them would attract a withholding tax of 15 per cent.

It said government approved rates for professional services such as those provided by architects, estate managers, engineers and quantity surveyors should not be exceeded in both public and private sectors.

In view of the continuing restraint on wages and salaries, the statement continued, the present scale rates of fees charged by accounting and auditing firms should not be exceeded this year.

According to the statement, dividends of up to 60 per cent of the current year's after-tax profit may be declared and distributed, while pioneer companies might declare and distribute up to 60 per cent of the current year's profit-before-tax.

Pioneer companies are exempted from the payment of a withholding tax of 15 per cent on all dividends, the statement said.

The statement also said an increase in price of not more than five per cent might be effected during the year after prior consultation with and consent of the Productivity, Prices and Incomes Board.

Importers of heavy industrial machinery, the statement said, should not apply a mark-up of more than 22.5 per cent on cost, insurance and freight (CIF), while importers of automotive and machinery spare parts

should not apply a multiplying factor of more than 2.25 on the same.

In both cases, import duties, clearing and handling charges might be added to arrive at the retail price, the statement said.

Importers and manufacturers of pharmaceutical products, the statement said, should not apply

multiplying factors of more than 2.50, 3.00 and 3.50 on the landed ex-factory costs of over the counter, ethical and biologicals respectively to arrive at the retail selling price.

It said failure to comply with the provisions of these guidelines shall be punishable under section 5(2) of Decree No. 30 of 1977.

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CSO: 3400/1336

CRIME BY ALIENS AT BORDERS INCREASING

Kaduna NEW NIGERIAN in English 28 Feb 86 p 3

[Article by Shitu Saude]

[Text] Crime by illegal aliens is on the increase in border towns along the Nigeria/Niger Republic.

An Area Court judge in one of the border towns told NEW NIGERIAN that aliens mostly from Niger Republic, who entered into Nigeria without valid papers, engaged in petty crimes such as house-breaking and cheating.

He said at times when they were brought to court and released on bail they disappeared either back home or deep inside Nigeria.

At Kongolom border posts the aliens were mostly found at motor parks working as touts.

Immigration officials at the Jibia border post also confirmed the illegal reentry of aliens into Nigeria.

They, however, complained of inadequate equipment such as the walkie-talkie which would greatly check the movement and influx of illegal aliens.

District Head of Mai'adua, Alhaji Ahmadu Galadiman Daura told the NEW NIGERIAN that 1,000 cattle died of rinderpest because of intermingling with cattle from neighboring countries. [sentence as published]

Alhaji Ahmadu said Nigeria and Niger have both intensified vaccination campaigns to eradicate rinderpest, saying that in the district alone 10,000 heads of cattle had been vaccinated.

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CSO: 3400/1335

INDISCIPLINE, DIRECTIVE ON MILITARY, CIVILIAN RELATIONS

Kaduna NEW NIGERIAN in English 28 Feb 86 p 21

[Text]

THE Federal Government would give directives soon on ~~wherein~~ which military personnel could deal with civilians harmony, Flag Officer commanding the western naval command, Commodore Murtala Nyako said. He told the governor of Lagos state, Group Captain Gbolahan Mudashiru when he visited him that the military was more concerned about the misunderstanding and indiscipline on the part of its men.

Commodore Nyako also said that it was not in the interest of the military to find its personnel forming trouble in the country, adding "we shall limit our actions to our professional course."

The governor had earlier requested the commanding officer to ensure that his men were conscious of the need for peaceful atmosphere while negotiation with the state government officials over some obligations

demanding from the government.

Commodore Nyako had told the state governor initially to assist the Nigerian navy in providing schools and housing units for its personnel and their children.

He said that as at the moment, about 1,500 Naval officer's children were in the navy school in Lagos state and that the existing classrooms could not contain the number, as he envisaged that the number might even rise up in the near future.

Commodore Nyako noted that the navy found it difficult to raise fund from the defence budget to finance housing of its personnel and as such requested the state government to ensure that the Nigerian navy was not left out in the allocation of the low cost housing units

Replying to the request, Governor Mudashiru said that as at the end of 1983, the state government could only meet half of the state housing need.

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CSO: 3400/1337



BABANGIDA MEETS WITH WARRANT OFFICERS IN KADUNA

Kaduna NEW NIGERIAN in English 1 Mar 86 pp 1, 6

[Article by Suwaid Isah Ali]

[Text] THE President, Major General Ibrahim Babangida, yesterday had a closed-door meeting with warrant officers of the Nigerian Army drawn from all divisions of the Army at the Luggard Hall, Kaduna.

Briefing newsmen before the meeting, Press Affairs Officer to the President, Captain Debo Basorun, said the President's meeting with the warrant officers was routine held once a year.

He described the warrant officers as traditional fathers of the army who served as link between officers and other ranks of the army.

Captain Basorun said Kaduna was chosen as venue for the meeting because of its strategic and central location.

He said matters discussed at the meeting had to do with ways of improving the relationship between the warrant

officers and the army, adding that "there is nothing serious."

Captain Basorun also said the President did not visit Abeokuta as was reported in the February 21 edition of the *National Concord*.

In the President's entourage were Defence Minister Major-General Domkat Bali, Chief of Army Staff, Maj-Gen. Sani Abacha, Inspector General of Police Mr. Sunday Etim Inyang, Chief of Air Staff Ibrahim Alfa and Navy Captain Suleiman Saidu of the General Staff Headquarters.

President Ibrahim Babangida flew back to Lagos in the afternoon. He was met on arrival at the Murtala Mohammed International Airport by the Chief of General Staff, Commodore Ebitu Ukiwe and top government officials.

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CSO: 3400/1337

COMPANIES RECEIVE DEADLINE FOR 'NIGERIANISATION'

Kaduna NEW NIGERIAN in English 1 Mar 86 p 16

[Text]

COMPANIES operating in the country have been given a three-month ultimatum to draw up and submit to the Ministry of Internal Affairs their Nigerianisation and training programmes for their indigenous staff.

The minister, Lt.-Colonel John Shagaya, told newsmen in Lagos on Wednesday while reviewing activities of his ministry and its parastatals that failure to comply with the directive might lead to applications by the affected companies for expatriate quota or renewal not being considered.

He explained that the measure was meant to give effect to the 1986 budget directive, adding that the business department of the ministry was currently being reorganised to minimise delays in the processing of applications for expatriate quota and business permits.

Col. Shagaya said that very

soon, applicants with all necessary documents would be able to obtain their business permits and quota renewals within one month of attending interviews or submitting their applications.

He assured that his ministry would continue to discourage companies from employing expatriates in positions where there were qualified Nigerians.

Lt.-Col. Shagaya however emphasised that Nigeria welcomed all genuine foreign investors, adding that everything "is being done to offer attractive incentives for them to invest in the country."

The minister announced that it "now takes barely two weeks to get the Nigerian passport from the date of submission of duly completed application form."

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CSO: 3400/1335

## NIGERIA

### HOUSING COSTS, RENTS SOAR IN LAGOS

Lagos SUNDAY TIMES in English 2 Mar 86 p 3

[Text] Rents have gone up by 75 per cent in high density areas of Lagos and landlords now demand between two to three years advance rent payment from prospective tenants.

Mr. Nathan Jones, who said he was ejected by his former landlord for refusing to pay 12 months advance rent to allow for the repair of the house in which he had resided for 20 years, complained "Landlords now demand between two to three years advance rent payment."

Mr. Jones said that standard single bedrooms now attract between N35 to N45 rent while a room and a parlour attracts between N70 and N100 in the so-called commonmen's quarters (high density areas). Also, according to him, a two-bedroom flat attracts N200 rent.

Investigation by Sunday Times showed that the Lagos State Rent Edict of July 17, 1976, which is still in force, allowed landlords only three months advance rent from tenants (apart from companies who could pay more). The edict also specified the maximum rent payable for all categories of apartments in high density areas. According to the edict single room accommodation should not attract more than N12 while a room and parlour should be N24; a single bedroom flat N45; two bedroom flat N80; three bedrooms or more flat N120; and a duplex or whole house with at least three rooms, N180.

Speaking to the Sunday Times on the issue of prohibitive rent, the director of Nigerian Building and Road Research Institute Dr. A. O. Madedor attributed the development to the daily increasing cost of building materials.

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CSO: 3400/1337

# AUTOMOBILE PRICES SKYROCKET IN LAGOS

Lagos SUNDAY TIMES in English 2 Mar 86 p 24

[Article by Ben Duru]

[Text]

PRICES of automobiles have unofficially gone up by between 30 and 100 per cent in the past few weeks, a Sunday Times investigation has revealed.

A survey carried out amongst a cross-section of about 80 car dealers in the Lagos metropolis showed that only about 30 of the dealers who are officially registered have garages. Over half of the dealers are only affiliated dealers.

The affiliated dealers, it was discovered, are mainly responsible for the hike in prices of cars.

A Volkswagen Beetle 1600 which sold for about ₦7,000 some few months ago, now sells for over ₦9,000. A Peugeot 504 saloon sold for about ₦14,000 now sells for about ₦20,000, while drivers who buy on hire-purchase pay as much as ₦24,000 for a Peugeot 504 GR.

But while the public is blaming car dealers for the sky-rocketing prices, the dealers are now passing the buck to the Productivity, Prices and Incomes Board.

When Sunday Times called at the office of the president of the Association of Peugeot Dealers of Nigeria, Alhaji Remi Yesufu, he stated that he would blame the government for the problem.

Alhaji Remi Yesufu said the reason for this is that the Productivity, Prices and Incomes Board has not been living up to

the expectation for which it was set up, adding that the Board should be scrapped or re-organised.

Alhaji Yesufu said that for there to be a uniform price of cars in the country, "an independent price control body should be set up to monitor the activities of the various companies engaged in selling of cars from automobile companies."

He added that the automobile companies had always played on the country's intelligence because whatever they say is their cost of production, the government takes it and they are allowed to fix their prices.

"But if the government takes steps to evaluate the full cost of production of a car then it can tell them the price to sell."

"Law enforcement agents should be drafted to the premises of registered car dealers to monitor their activities and arrest any dealer who tends to escalate the price of any automobile," Alhaji Yesufu continued.

He also said that since there are so many dealers with only a handful of them registered, the government should direct the automobile companies "that any dealer who has no garage to the capacity of over 30 cars should be scrapped."

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CSO: 3400/1337

TIN MINERS GENERAL SECRETARY APPEALS FOR GOVERNMENT AID

Enugu DAILY STAR in English 1 Mar 86 p 16

[Article by Dom Ekpunobi]

[Text]

**T**HE Federal Military Government has been called upon not to allow tin-mining which is one of the pioneer industries in the country to collapse.

The general secretary of the Metallic and Non-metallic Mine Workers Union, Mr A.O. Laniyan, who made the "save our souls" appeal at a press conference in Lagos said that urgent steps should be taken to save the industry from total collapse, because of its importance in the economic development of the country.

He said that although there was a global glut in the tin market, all the producing countries have taken measures to buy up tins produced at the production prices to keep the industries going.

The union scribe contended that if the industry was allowed to collapse, the country would eventually resort to the importation of tin and feed the country's steel mills, while there still exists deposit of tin and columbite.

Mr Laniyan said that the

industry was source of employment for thousands of Nigerians whose existence would be seriously threatened by its closure.

He contended that with the present development and expansion of our steel development, there was bound to be a high demand for tin and the columbite for the production of tin coated flat sheets used for the manufacture of vehicles, casing of tomatoes, meat, fruits and fish.

Tin, he said, was also an important foreign-exchange earner for the country, noting that about 90 per cent of tin produced in the country was exported.

The union scribe said that if the federal government failed to rescind its decision to close down major operations in tin mining, about 10,000 workers in the mine and their families would lose their means of livelihood.

He suggested that the government should provide about N15 million to buy and stock-pile the tin that was being produced by the industry.

He also suggested that money be made available for the purchase of spare parts and new equipment while immediate removal of royalty payment on tin and columbite must be effected.

COURT ORDERS DEPORTATION OF SUSPECTED MAITATSINE FOLLOWERS

Kaduna NEW NIGERIAN in English 3 Mar 86 p 13

[Article by Waziri Garbal]

[Text]

A BAUCHI Magistrates Court on Tuesday ordered the deportation of 25 aliens suspected to be followers of the proscribed Maitatsine sect who had been standing trial before the court.

The aliens from neighbouring African countries were among those arrested during the Maitatsine disturbances which broke out in Gombe last April.

Presiding Magistrate Hamma Barka said the aliens were to be handed over to the immigration department for deportation to their respective countries.

Eighty-eight other suspects of the Maitatsine sect were granted bail on the sum of 500 Naira and one surety each while two others were referred to a psychiatric hospital for treatment.

The court would however continue with the trial of 27 other suspects of the proscribed sect

because according to the prosecution a case of membership of the sect had been established against them.

Also on Wednesday, the court ordered the release of 28 other persons who were arrested along with the suspects but whose charge according to the prosecution was later changed to idleness after a thorough investigation.

The 28 accused persons were earlier sentenced to three months imprisonment each for idleness but were however released, as their sentences, according to the magistrate was to run from the date they were arrested.

Mr. Hamma Barka said while ordering the release of the 28 persons that he was aware of the hardship encountered by the accused persons while in prison and was therefore lenient on them.

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CSO: 3400/1335

## BRIEFS

MUSLIMS ATTACK CHRISTIAN PROCESSION--Lagos, 24 Mar (AFP)--At least nine persons, including a police officer, were injured last Sunday in Ilorin, capital of Kwara State (western Nigeria) where a group of Muslims attacked a Christian procession, the News Agency of Nigeria, NAN, reported on Monday. Made up of armed "fanatics" the group which was singing Kocranic songs attacked the Christians who were gathered in a procession, said the news agency which specified that the injured included Mr Timothy Amosun, an assistant superintendent of police. For its part, the HERALD daily newspaper published in Ilorin specified that following these incidents, 11 persons have been arrested and an inquiry has been opened. The newspaper added that the attackers considered the religious ceremony a "sacrilege" in an area with a majority of Muslims. Another newspaper, the TRIBUNE, affirmed for its part that the Christian church was set on fire during the incidents. [Text] [Paris AFP in French 1501 GMT 24 Mar 86 AB]

EEC SIGN AGREEMENT--Nigeria and the European Economic Community, EEC, today in Lagos signed an indicative program under the third Lome Convention. The agreement covers agriculture, rural development, education, training, and research. Others are domestic industrial material, implementation of programs of regional cooperation, and strengthening capability for economic planning as well as the completion of ongoing projects. The minister of national planning, Dr Kalu Idika Kalu, said at the signing ceremony that two broad geographical zones aimed at halting desertification in the north and soil erosion in the southern oil palm belt had been identified for project selection. He stated that a joint steering committee to review and monitor the implementation of the community's programs in the country would soon be set up. The minister called for closer cooperation between the country and the EEC and pledged that steps would be taken for the speedy implementation of the provisions of the agreement. Dr Kalu signed for Nigeria while the head of the 16-man delegation, Mr Morris Foley, endorsed for the community.

NEW OPEC QUOTA--Oil Ministers of the Organization of Petroleum Exporting Countries, OPEC, meeting in Geneva, Switzerland, have reached an agreement on the new production level. According to reports, the new ceiling has been fixed at 14 million barrels a day. It will come into effect next month and will last until June. Under the arrangement, Nigeria is now to produce 1.2 million barrels a day instead of the current 2 million barrels. Gabon, Iraq, Ecuador, and the United Arab Emirates were given special concessions. [Text] [Lagos Domestic Service in English 2100 GMT 23 Mar 86 AB]



PORT SECURITY PERSONNEL WITHDRAWN--Service personnel on routine security duty have been withdrawn from all airports and seaports by the Federal Government. A statement from the office of the chief of General Staff explained that the withdrawal would not affect members of the armed forces on political appointments at such posts. Also excluded are members of the armed forces involved in an operation called EPO [expansion unknown] and personnel on air defense at the airports. [Text] [Lagos Domestic Service in English 1800 GMT 20 Mar 86 AB]

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CS0: 3400/1357

## BRIEFS

AID FOR REFUGEES--The European Economic Community has provided medical aid worth 500,000 ECUs (400,000 dollars) for the benefit of refugee camps in Somalia. Of this sum 230,000 ECUs are for the relief organisation Medecins sans Frontieres, which was recently expelled from Ethiopia, to pay for the airlift of a medical team, drugs and vehicles. The remaining 270,000 ECUs are for the activities of the United Nations High Commission for Refugees in Somalia. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 8 Mar 86 p 8] /9274

CSO: 3400/1332

## BRIEFS

**PROGRESS ON GAS PROJECTS**--The Tanzania Petroleum Development Corporation has given the Italian Snam Progetti concern the contract for carrying out all the engineering studies for the projected natural gas treatment plant on the island of Songo-Songo. This plant comprises three off-shore platforms, two on-shore well-heads and gas gathering system. Snam Progetti will also be responsible for designing a 56-kilometre off-shore and on-shore pipeline which will bring the treated gas to the Kilwa Masoko terminal on the mainland, as well as the construction of a bitumen plant on the site of the refinery. The Italian government will fund the studies, whose total cost has not been revealed, by means of a grant and a loan at favourable interest rates. France has also announced its intention to contribute to financing the KILAMCO project for an ammonia plant supplied by gas from Songo-Songo. It was revealed by Guy Penne, President Francois Mitterrand's special adviser on African affairs, when he visited Dar es Salaam on February 27. Four other countries, Switzerland, China, Yugoslavia and Belgium, as well as the Overseas Private Investment Corporation of the United States, had already promised funding for this project, the total cost of which is put at more than 350 million dollars. Guy Penne also announced French aid for the Tanzanian police. Also in Dar es Salaam last week was Pasquale de Vita, president of Italy's AGIP oil company. He announced that the company would increase the storage capacity of the local oil refinery to 45,000 cubic metres, and install a system to prevent energy losses. This project, costing 3.5 million dollars, will also be Italian government-financed. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 8 Mar 86 p 6] /9274

**BORDER PROBLEMS WITH KENYA**--Tanzania's interior minister, General Muhiddin Kimario appealed to Nairobi on 28 February for urgent measures to be taken to legalise the situation of Tanzanians living in Kenya and vice versa. General Kimario had been taking part with his Kenyan counterpart Justus Ole Tipis in a four-day meeting devoted to frontier problems. He criticised the slow implementation in the border regions of joint decisions taken at ministerial level on such matters as cattle-rustling and smuggling. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 8 Mar 86 p 2] /9274

**PARASTATALS CRITICIZED**--The drop in output by state-owned companies is not only due to a lack of foreign currency but also the waste and embezzlement of funds which is practiced by the managers of those firms, Tanzanian president Ali Hassan Mwinyi told 430 heads of parastatals on 27 January in Arusha. He

announced that in the future state aid would be ended to firms which were badly managed, and where there is evident abuse of assets. Mr Mwinyi also made several recommendations, such as serving soft drinks instead of beer at receptions organized by parastatals, which he also considered too frequent. These recommendations, which are more the product of wishful thinking than measures calculated to increase output to any extent, are hardly likely to impress the International Monetary Fund, negotiations with which are still meeting the stumbling block of devaluation of the shilling. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 8 Feb 86 p 7] /9274

CODE FOR INVESTORS IN ZANZIBAR--Zanzibar's parliament gave unanimous approval on January 22 to the new investment code, enshrined in the Foreign Investment Protection Bill, which the island's prime minister, Seif Shariff Hamad, described as a challenge to overseas investors. The new code provides for preferential treatment to those investors who use local raw materials, while those who establish themselves in underdeveloped areas, maritime zones or regions under extensive cultivation will enjoy reductions in rental. Tax exemptions are also envisaged on imports by such investors of capital goods, vehicles, spare parts and raw materials. The exports of manufactured goods will not be taxed either. Tanzanian press reports on the new code disclosed no details of its conditions for the repatriation of dividends or the extent of tax exoneration on the income of companies falling within the provisions of the measure. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 1 Feb 86 p 7] /9274

EEC MISSION--A European Economic Community team was due in Dar es Salaam on February 5 to discuss with Tanzanian officials projects to be funded by the EEC under the Lome III agreement. Last July the EEC allocated Tanzania 169 million ECUs (one ECU = 88 U.S. cents) to cover the next five years, making the country the second-ranking beneficiary of European aid to Africa after Ethiopia. (Under Lome II Tanzania was allotted 120 million ECUs.) The new allocation of 169 million ECUs comprises 152 million in the form of grants and the remainder in high risk capital on favourable terms. Nine-tenths of the aid will be spent on agriculture, in particular on increasing food production and output of coffee. Projects will include the improvement of secondary roads and the renewal of the country's truck fleet used for the transport of food crops. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 8 Feb 86 p 7] /9274

FIRST GOLD SALE--The company Dar Tadine Tanzania Ltd, a joint venture set up in November 1984 between the government and Dar Tadine Umma Ltd, headed by the Egyptian Ibrahim Kamel, with the purpose of reviving the exploitation of Tanzania's gold resources, has just made its first delivery to a Swiss buyer. Gold has been extracted in small quantities from the Buhemba site, where prospecting began in February 1985. According to Mr Kamel, within seven or eight years Tanzania can expect an income of around 500 million dollars from its gold reserves if all the 45 deposits discovered are exploited. An agreement for the sharing of revenue was signed between Dar Tadine and the government in November 1984, covering five concessions in the Mwanza, Mara and Siginda regions. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 8 Feb 86 p 7] /9274

CS0: 3400/1334

## ZAIRE

### PREMIER ON BRUSSELS MEETING, HUMAN RIGHTS

Brussels LE SOIR in French 11 Mar 86 pp 1,3

[Interview by Pierre Lefevre with Premier Kengo Wa Dondo; date and place not given]

[Text] Mr Kengo wa Dondo, first commissar of the state of Zaire, arrived in Brussels on Sunday morning to preside, with his opposite number here, Wilfried Martens, over a gathering of high-level political figures from leading countries friendly to Zaire and with major international lending institutions; the meeting will take place on Monday and Tuesday of this week.

Since Paris has become the traditional forum for meetings between Zaire and its creditors, we asked Mr Kengo wa Dondo, in an exclusive interview, why he chose Belgium and why he asked Belgium to co-chair this unconventional meeting.

[Answer] Paris is the venue for the Club de Paris and the advisory group to the World Bank, which are single-focus institutions. The Brussels summit, though, should enable Zaire to raise the consciousness of its lending partners vis-a-vis the problems it must perforce deal with now after 3 years of stabilization measures.

This is not the first time that Zaire has chosen Belgium as its host country. The reason we opted for Belgium is a matter of preference. We might equally well have chosen Washington, Paris, or another capital. The close ties between Zaire and Belgium no longer need confirmation, and we felt that Belgium had the best grasp of our problems. Secondly, Belgium has agreed to host this gathering and to preside over it jointly with us.

[Question] We were here through the Van den Bogaert scandal. In the economic area, we saw the aid contract for Air Zaire slip into Sabena's hands. Are we to understand that relations between Belgium and Zaire are not so warm now as they were when King Baudouin visited Kinshasa last June?

[Answer] No: One does not assess relations between states on the basis of a few incidents. The Van den Bogaert business is primarily a matter for the courts, and as such does not affect the long-standing relations between Zaire and Belgium. It may be that certain



influential Belgians have sought to blow up this affair to proportions that might have some effect on those relations. For our part, we regard Vanden Bogaert as a Belgian subject who has violated Zaire's laws and that Zaire's courts, accordingly, have jurisdiction in the matter.

As for Air Zaire, when we found that, according to the IMF's proposals, we would have to privatize a portion of the company's capital, as well as that of other state-owned companies, we turned first of all to Belgium. It was only after Sabena adopted its delaying tactics that we turned to the Air Transport Union (UTA). And then we came back to Belgium. In the event, UTA's proposals were so good that we agreed that it, without acquiring capital shares in Air Zaire, could, along with other Zairians, provide the managerial expertise to get the company back in shape.

[Question] Some opposition members of parliament are still deprived of their freedom in Zaire. Don't you think that Zaire's policy on human rights might on occasion constitute a stumbling-block in its relations with certain Western countries, like Belgium?

[Answer ] We should refer to them as ex-members of parliament...

[Question ] Suppose we call them opposition politicians...

[Answer] Let's say opponents. The Zairian constitution institutionalizes the People's Movement of the Revolution (MPR), which means that there can be no other political party unless and until that constitution is amended. Anyone who tried to establish a political party would automatically be acting in violation of the constitution.

Must Zaire make its political structures match those and work like those of the countries with which it cooperates? Is that what you do? Or do you require your partners, such as the Eastern countries, South Africa, or others operate the way you do? Under such conditions, could you or could you not go on cooperating with them? What we say is this: you want to cooperate with us? Then take us as we are, and treat us we want to be treated, and not as you would like us to be.

#### Optimism

[Question] If you consider, particularly, the steady decline in the value of Zaire's currency and the mounting tension on the exchange, must you conclude that Zaire has reached the acceptable limits of its restrictive monetary policy and that it could no longer tolerate an attempt at increased austerity?

[Answer] True, at one point, in 1985, there was a fairly swift decline in the exchange rate for the zaire. Back on 12 September 1983, I recollect that the zaire floated and increased in value with each passing day in response to the law of supply and demand.

As a result, since 1983, we have not once devalued the zaire. Either it strengthens or it declines at the interbank level, according to the regular Friday fix.

In 1985, there was a general decline in raw materials prices on the world market. Since Zaire's is a highly extroverted economy, our import earnings dwindled somewhat, and we could not meet our domestic demand. The parallel market followed the official quotation, never allowing the gap to widen past 10 percent or so. And we are still in that bracket.

Of course it does raise some budgetary problems, particularly for a debtor country that must meet the commitments it has made in foreign currencies. That meant that 1985 was a very hard year for us. We wound up 1984 with inflation running at 18 percent. We ended 1985 with inflation at 39 percent.

The year 1986, though, opens onto a more promising prospect. The zaire has rebounded on the interbank market, thanks to three important factors: the price of coffee, the decline of the dollar, and the spectacular plunge in petroleum-product prices. Taken together, these events now allow us to look to the future with a lot of optimism.

Not Without a Fresh Start

[Question] Just what, in practical terms, did you have in mind when you suggested this meeting in Brussels?

[Answer] Ever since 1983, we have been trying to halt the decline of Zaire's economic, financial, and monetary situation. At first, we tried to make the approach alone, and then with the International Monetary Fund. For 3 years, we have been making tremendous sacrifices as part of this restoration of fundamental equilibria. When we add up what we have paid out, overall, in service of our debt, and set it next to what we have received from international institutions as well as through our bilateral relations, we find that the net capital transfer is negative. In light of that fact, we should like to show our partners that Zaire, while steadfastly pursuing its policy of recovery and rigor, austerity and stabilization, cannot do any more without a fresh start. We would like to ask our creditor partners, who have benefited by these actions on Zaire's part to make good on its commitments, to understand now that they must come to Zaire's assistance so that it can get on with its fresh start, improve its production apparatus, and thus produce better, export better, and pay its debts better.

[Question] In practical terms, what kind of measures do you expect, and for what kind of fresh-start policy?

[Answer] The Brussels meeting stems from traditional structures. Our basic goal is to find a way to raise our partners' consciousness, both as part of a multi-year rescheduling and as part of bilateral assistance arrangements, and lastly, in other ways such as



lowering interest rates, so as to enable us to mobilize the necessary resources to fund our 5-year plan.

What Investments from Belgium?

[Question] Before you leave, you will meet on Wednesday with the directors of the Federation of Belgian Enterprises (FEB). Does that mean that, in your view, the private sector must play a special role?

[Answer] We had high hopes that the Belgian private sector could be in the vanguard of those who ought to invest in Zaire. Of all our partners, the Belgians are the ones who know our country and its resources best.

[Question] Do you think that Belgium's attitude will set the tone for the other countries?

[Answer] I should say rather that Belgium could, if it would, be the country that could motivate the others by explaining the solid grounds for our view of the situation.

[Question] What has come of the plans to endow Zaire with its own copper-refining capabilities?

[Answer] There was a time when it was agreed that Belgium, through the General group, would see to financing for a copper-refinery in Zaire. Thus far, though, nothing seems to have been done. From June 1960 until today, do you believe that Belgium has interceded in any meaningful way in one area or another on the matter of investment? Belgium is usually frustrated when it learns that others would like to snatch the market away from it, including investments. When we look about us, we see that those who have been perceived as the administering power elsewhere have continued to improve and enhance the countries they administered. Since our country achieved independence, Belgium has remained and still is -- when it comes to business -- the number-one country in Zaire. But since independence, has it invested here in adequate depth and with sufficient scope to entitle it to continue as part of the leadership contingent? I do not believe it has.

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## MORE INDIANS VOLUNTEER AT SAS JALSENA

Pretoria PARATUS in English Mar 86 pp 18,19

[Article by Sgt (Miss) L. Rouke and L Cpl J.R. McMillan]

[Text] **T**HERE are usually two intakes each year at SAS JALSENA for which more than 800 enquiries are received. As the base can only accommodate about a quarter of that number of trainees per intake, applicants are only taken in after a thorough selection process.

SAS JALSENA is a small but efficient Naval Training Base. It is unique in that it is the only basic training base for South Africa's Indians. Training of the first intake starts in January with the passing-out parade taking place on 31 May. This parade marks the end of the young seamen's basic training programme. They then undergo further specialist training before being employed for the rest of their voluntary service period as sailors or marines in the South African Navy.

**T**HEIR training programme is a rigorous one with the emphasis on dress and bearing, discipline, physical fitness and team work with an introduction to Naval routines as an intricate part of the training.

The trainees at SAS JALSENA are all volunteer servicemen. This means they volunteer to serve a period of two years in the South African Navy. After completing their voluntary service, they may apply to join the Per-

manent Force. Depending on vacancies, they may enter any one of the exciting branches of the Navy. If the trainee wishes to leave the Navy during his initial two years voluntary service, he may do so after giving the normal three months' notice.

**T**HE training programme incorporates many different subjects which range from seamanship, ship's organisation and parade work to languages. Emphasis is placed on being neat and tidy and keeping everything "shipshape". In the close confines on board a ship or at a small unit there just isn't room for untidiness. Hygiene is also very important and the trainees are taught the basics of this right from the start.

Like all other SA Navy training bases, standards are high at SAS JALSENA with strict inspections and tough physical training. Inspections are done by the divisional petty officers who ensure uniformity and neatness at all times.

With SAS JALSENA being a small training base, it is not surprising that there is a very high level of *esprit de corps*. It is a tightly knit and efficient organisation that, together with the other Naval training establishments, will provide the future manpower needs of the South African Navy.

## 116 BATTALION TRAINING IN BORDER OPERATIONS DESCRIBED

Pretoria PARATUS in English Mar 86 pp 38, 39

[Article by L Cpl P.B.G. Delmar]

[Text]

**116**

BATTALION'S base is situated on the old Artonville copper mine, just north of Messina. The facilities and buildings of the mine have been taken over and are at present being extensively renovated.

In January 1984, one platoon was assigned the task of protecting the border between Beit Bridge and the Njelele River. In April that year, 65 Black soldiers, their platoon commanders and platoon sergeants were transferred from 113 Battalion to help with the task of border control. The company commander at the time was Maj J. Louw.

In September 1984, WO1 (then WO2) F.O. Schiller, WO2 D. van Rensburg and Lt K.F. Botha were transferred from SMA to form the nucleus of a battalion HQ.

The present OC and 2IC, Cmdt P. Rose and Maj S. Hathorn, joined the unit early in 1985. WO1 Schiller was appointed RSM in January this year.

116 Bn is not only the youngest Black battalion, but also the only one whose troops are deployed in the region of its HQ. All administrative and logistical tasks are controlled and executed by Black Permanent Force soldiers trained at 21 Bn and, says Cmdt Rose, are all fully functional and efficiently administered. The unit has one of the very first OSC Candidate Officers in the RSA, CO R. Shaai, who is the unit Quartermaster.

The Black soldiers are also trained and employed as personnel clerks, logistics clerks, storemen, medics, military police and as drivers.

The pride of 116 Bn, however, is its operational companies who, in a short time, have proved themselves to be sol-

diers of a very high standard. "I have seen that our troops compare very favourably with those of other Black units, which is an outstanding achievement after just nine months," said Maj Hathorn.

**T**RAINING must fit in with operational commitments and the training programme needs to be flexible. During the first months of 1985 the new intake underwent basic training and thereafter training concentrated on physical training, fitness and shooting. The second intake had undergone basic training and an orientation course at 113 Battalion and after specialist and section leader training, underwent counter-insurgency training. In November and December last year, both groups did an intensive urban COIN revision phase. Maj Hathorn introduced to 116 Bn what he calls the 'A to Z' revision system whereby the leader groups test each troop on all aspects of his training every month.

Maj Hathorn described the troops as being "very positive and eager to progress in their careers".

116's motto is 'Re Batho Bantse' — North Sotho for 'Together We Are One.' It was decided upon by all members of the unit and is a fitting motto indeed. Teamwork is very much in evidence at the battalion. "116 is proving that Black and White can work together in all aspects," said Cmdt Rose.

**R**EGIMENTAL Sergeant-Major, WO1 Schiller, fair bristles with pride in his unit. "I have no doubt, no doubt whatsoever," he told Paratus, "that we are going to be THE best unit, in terms of discipline, fighting, sport — you name it."

Black and White instructors give three lessons per week in North Sotho which are attended by all the White members of the unit — after hours.

The unit chaplain, Lt (Ds) P. Venter, is presenting a year-long, part-time chaplaincy course for five of the Black battalion members. On completion of the course, they will be able to assist the chaplain with his duties. The course consists of an advanced theological course, dogmatics, ecclesiastical history and Biblical studies as well as practical theology. This is just one of the many firsts of which 116 Bn can boast.

RSM Schiller attributes much of the battalion's meteoric growth to an outstanding working relationship between himself and the OC, Cmdt Rose, and a very positive attitude amongst all the personnel to knuckle down and get on with the job. The battalion's only SACMP member, Cpl D. Modiba, commented, "I'm extremely proud to be a part of 116. Here we all really work together as a team. I have the opportunity here to prove that with the proper training I can do any job."

When work on the new single quarters is completed, projected for April this year, it is hoped to train a further intake and to form another company.

At a recent function held to welcome a new NSM leader group, Cmdt Rose said, "We will carry out each mission completely and successfully. We will strive to become the pride of the Chief of the Army and the pride of the Chief of the SADF."

116 Battalion is certainly headed in that direction!

**MAASTROOM.** — TWO ANC terrorists tried to lure a SADF reconnaissance patrol into an ambush, but failed after being noticed.

An alert SADF soldier spotted the limpet mine dropped by one of the fleeing terrorists. The soldiers took cover just in time before the terrorists opened fire. When the soldiers neared one terrorist hiding in an ant-eater hole, he threw a handgrenade in their direction. Fortunately it hit a tree before exploding.

Sergeant Ronald Cook of the SADF got killed by a round from an AK-47 when he stormed at the terrorist's hiding-place. The terrorist was shot afterwards, while the other one is believed to be still in hiding on the South African side of the Limpopo River.

The security forces confiscated three limpet mines, an AK-47, several handgrenades and a bag with R1 400 in it.

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# MOTORCYCLE TRAINING COURSE USEFUL FOR BORDER OPERATIONS

Pretoria PARATUS in English Mar 86 pp 43, 44

[Article by L Cpl P.B.G. Delmar]

[Text] The first objective of the motorcycle training course being presented at 116 Battalion is to enable all the participants to earn their civilian licenses. One of the trainees, L Cpl Sportsman Biller, admitted of having never ridden a motorcycle before embarking on the course, but, boy, he couldn't wait to find out how to!

The six week course being conducted by Sgt J. de Wet, a member of the Equestrian Centre in Potchefstroom, will transform the 116 Bn soldiers into motorized soldiers of the highest calibre.

Beginning with the very basic basics, such as road signs and traffic ordinances, Sgt De Wet will impart his considerable motorbike skills to his trainees.

Each soldier will be taught how to maintain and affect emergency repairs to his machine so that if problems develop whilst on an operation, the solution can be found on the spot.

Riding practice, finding one's balance, practising pull aways, stops and turns will be amongst the first steps.

Riding in the veld requires a very special skill and an intimate knowledge of one's motorcycle. When riding over rough terrain, the rider doesn't sit on a seat, but keeps his knees and arms slightly bent so that his knees can absorb the shock. Knees are kept tightly pressed against the saddle. Always two fingers are kept on the clutch and brake levers.

When travelling up an incline, the weights of the rider is transferred onto the front wheel. When moving down a decline, the rider leans back and the weight is shifted over the back wheel.

Trainees will be taught to sit between the seat and the petrol tank when turning, with the inside leg pointed straight out.

Water, mud, sand and stones are normally negotiated in second gear with the weight over the back wheel.

Motorbike and man must at all times be one, and the rider must always feel that he is completely in control.

"Fitness is of the essence," stressed Sgt De Wet. "A motorbike rider expends more energy than someone riding a horse."

The advantages of motorcycles Border operations are essentially the same as those applying to the mounted platoon - greater mobility, speed, assessability and range.

If contact is made with the enemy, the men will be trained to get off their motorcycles at speeds of up to 60km/h by simply sliding the bike to the ground and getting on with the job.

The motorcycles used at present have proved themselves to be extremely economical and strong.

Sgt De Wet intends keeping the emphasis throughout the course very much on the practical. The riders will be trained to ride over all types of terrain and considerable veld riding will be done, including riding over stones, through water etc, and ramping.

Mechanics of 116 Bn and SMA will service and repair the motorcycles.

The prospect of training men who have never ridden before is a daunting one, but Sgt De Wet is optimistic about the prospect of producing a section of highly mobile motorcycle troops.

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## NDEBELES' 115 BATTALION ANNIVERSARY CELEBRATION DESCRIBED

Pretoria PARATUS in English Mar 86 pp 54,55

[Article by L Cpl D.R. Kneen

[Text] And on the same day, Col S. van Loggerenberg took over command of PROJECT POSTAL, to lead and prepare it for independence day in December, when it will become the KwaNdebele Defence Force.

When the KwaNdebele cabinet opted for independence, the need was foreseen for an army of its own, as, in the words of PROJECT POSTAL's new Commanding Officer, Col Van Loggerenberg, "the KwaNdebele nation has a rich culture and tradition, and the development of a Defence Force will ensure that this heritage is not lost".

On 17 January 1985 PROJECT POSTAL (the future Defence Force headquarters) established its first regional battalion, with its own base and trained personnel.

The unit, named 115 Battalion, is situated on a game farm, 20 km north east of the capital city, Siyabuswa, set against the Molapo wa Mogale mountains in an area known as Shanandoua.

**T**HE Battalion is unique in many ways. It was decided that a Defence Force for the Ndebele should not be modelled on an existing Defence Force, but should be adapted to meet the specific requirements of Ndebele tradition and life-style. The Defence Force would thus provide a dual function — protection and cultural preservation.

Troops are thus encouraged to sing traditional songs during their routine duties, and the military buildings at 115 Battalion were built in harmony with the Ndebele life-style. The unit has also preserved the natural flora of the original farm in order to protect the wildlife, which include rhino and zebra.

Men were recruited from KwaNdebele and trained at 21 Battalion (Lenz) as COIN urban and rural troops. Some underwent

specialised training as storemen, medics, signallers and chefs. It was these troops, in conjunction with the Department of Works and 5 Military Works Unit, that transformed the farm buildings into military facilities.

These troops will form the basic infrastructure of the KwaNdebele Defence Force after independence, as they are all permanent members.

In 1987 voluntary troops will be recruited by the KwaNdebele Department of Internal Affairs to undergo training at the Battalion. Apart from their military skills, these troops, who will serve in the Defence Force for approximately 18 months, will also receive training in vocations ranging from building to herding. Then, on returning to civilian life, they will have mastered a trade while serving their country.

The KwaNdebele Department of Internal Affairs has already received 100 applications from young Ndebeles eager to join in the defence of their nation.

**T**WO permanent Ndebele members have been made NCOs they are S Sgt T. Mhlangu and L Cpl L.F. Ledwaba. Ndebeles will slowly replace the staff of PROJECT POSTAL as they earn rank.

A unit badge has been designed for 115 Battalion, which comprises an otter head, flanked by battle axe heads. Symbolically the otter head represents a garment worn by the traditional leaders, which denotes honesty, authority and loyalty to the nation. The axe heads represent the struggle of the nation to protect itself from the onslaught of possible threats on its traditions and culture.

On 30 August 1985, 115 Battalion was officially opened by the Chief Minister of KwaNdebele, Mr S.S. Skosana.



**T**HE Change of Command in PROJECT POSTAL and 115 Battalion has been made timeously to prepare the troops for independence in December.

- Col A.C. Slabbert, who has headed PROJECT POSTAL since its inception in January 1984, was succeeded by Col S. van Loggerenberg, who will take the Defence Force-to-be into independence and become the first Chief of the KwaNdebele Defence Force.

- Cmdt H.P. Geyer, former 2IC of 202 Battalion, succeeded Cmdt H.G. de Witt as the Commanding Officer of 115 Battalion.

The change of command parade was held at 115 Battalion and the guard of honour comprised of troops from 115 Battalion. The 21 Battalion band added colour to the event.

After the parade, the guests, which included the Chief Minister of KwaNdebele, Mr S.S. Skosana, and other members of

the KwaNdebele Cabinet attended a reception held at the Battalion mess.

The KwaNdebele Minister of Works, Mr K.M. Mtshweni, said that he appreciated the work done by the SADF in KwaNdebele as it did not only help establish their future Defence Force but helped with the emergence of an independent and self-sufficient KwaNdebele.

"The Defence Force has been uniquely established to suit the Ndebele culture," said Mr Mtshweni, "and it is because of this, Col Slabbert, that you have become one of us."

Col Slabbert said that he "had learned much about the Ndebele nation" and that his two years as project officer PROJECT POSTAL were "probably the most enjoyable of my entire military career."

"PROJECT POSTAL has got a strong leader in Col Van Loggerenberg and the troops have a good spirit and thus I am sure that any problems encountered will be overcome," he said.

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COLUMNIST GIVES DETAILS OF RECENT ALEXANDRA FUNERAL

Johannesburg THE WEEKLY MAIL in English 7-13 Mar 86 p 6

[Article by Patrick Laurence]

[Text] It was the briefest of journeys but it was like crossing into another country.

One minute we were being searched by the blue uniformed police of the old order. The next, only a few steps away, we were under the guardianship of the "young comrades" of the new South Africa.

We were in Alexandra. Within moments we were escorted by the T-shirted young men into a waiting vehicle. The words "Alexandra Massacre" were emblazoned across their chests.

As the vehicle turned round in the narrow street, the policemen, armed with an assortment of pistols, shotguns and rifles, stormed after us, feet thudding into the tarmac.

One of them had spotted, or thought he had spotted, a camera on one of the journalists. The vehicle was searched again. But the forbidden camera was not found.

Seventeen victims of the revolt in Alexandra late last month were being buried. Journalists, however, were permitted to record the mass funeral with pen and paper only.

The comrades drove the vehicle down the steep tared road — one of the few in the township — towards the stadium where thousands of people had already started to gather. They were solicitous of our needs, stopping as we entered the stadium to get programmes for us.

Green, black and gold flags and banners of the outlawed ANC fluttered in the gentlest of breezes.

Freedom songs and slogans chorused from thousands of throats.

Diplomatic representatives from most Western countries sat in the blazing sun. So, too, did the veteran MP Helen Suzman, the MP for Sandton, David Dalling, members of the Sandton Town Council and two former mayors.

The council has donated R500 to each of the bereaved families. Alexandra is adjacent to Sandton.

As the crowd waited for a formal start to the ceremony, it swelled. People filed into the stadium and filled it, overflowing on to the steel scaffolding of an incomplete building and even into trees which surrounded the stadium.

When the hearses arrived with the coffins there was hardly room for them. They had to manoeuvre their way in and out of the stadium. The crowd squeezed in to make room for them and then out again, like a human concertina.

Then the crowd began to sing its tribute to the dead, the youngest of whom was a boy of 12. They were acclaimed members of Umkhonto we Sizwe, underground army of the ANC, the highest honour that could be bestowed on them.

Shortly after there was a stirring in the crowd nearest the makeshift podium. Winnie Mandela, wife of the jailed ANC leader Nelson Mandela, had arrived. She was dressed in ANC colours. Her escorts carried a huge wreath of black, green and gold flowers, leaves and ribbons.

Young men and women danced through the narrow pathway between the coffins and the podium, carrying placards hoisted aloft on poles. One called on Allan Boesak, president of the World Alliance of Reformed Churches, to help them get military training in neighbouring countries. Neither Boesak nor Bishop Desmond Tutu were among the speakers, however.

Representatives of only two of the bereaved families spoke. "They are not all going to speak, otherwise we will be here until sunset," a master of ceremonies explained.

One spoke in Tswana. The other in Zulu. They were simple, short moving speeches, appealing for black unity. Afterwards, contrasting songs followed. One praised the MKs, as members of Umkhonto we Sizwe are known, as the crowd acted out the firing of AK 47s. The second was a gentle hymn sung by a choir, the soft voices of women alternating with the deeper tones of men.

Mike Beea, chairman of the Alexandra Civic Association, drew acclaim when he scornfully rejected the option of "going cap in hand to a government which is killing our children" and proclaimed instead: "We shall defeat the system. We shall govern in the country."

Another Alexandra resident and former Robben Island prisoner, introduced only as Ramagodi, warned: "We face a mighty enemy ... We will only win the struggle when you are disciplined."

There were eloquent, encouraging speeches from Beyers Naude of the SA Council of Churches and Bishop Osmond of the Catholic Church. But

the loudest cheers were given to Albertina Sisulu, wife of the imprisoned ANC leader Walter Sisulu and a president of the UDF.

In a fiery speech, Sisulu — who like Winnie Mandela is given the honorary title of "our mother" — spoke in vivid imagery.

"The government is pinned against the wall as the struggle intensifies," she told the roaring crowd. South Africa was ruled by a "government of frightened cockroaches" and a "government of greedy vultures who want to eat alone".

She warned white mothers: "Today black children are dying. It will happen to white mothers tomorrow."

Speaking in the soaring heat of the noon sun, which had already felled several people, Frank Chikane, a Transvaal vice president of the UDF, said: "We in South Africa have a war going on. Those who have not realised it yet are foolish. There is a war between the forces of apartheid and the people."

As the crowd started to walk down the valley and across a river bed to the cemetery, "Mac" Lekota of the Alexandra Civic Association sombrely told them that there were still 13 unidentified bodies in the government mortuary. He appealed to the people to help identify the bodies.

Most of the crowd of 50 000 weaved its way to the graveyard, enveloping it to pay homage to the dead.

At the exits from Alexandra the police waited like border guards to search journalists for contraband cameras and videos.

The custodians of the present would allow you to visit the country of the future, but not to film it.

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## SOWETO'S ELITE COLLEGE STAYS CLOSED

Johannesburg SUNDAY TIMES in English 16 Mar 86 p 6

[Article by Elsabe Wessels]

[Text] THE row leading to the closure of Soweto's elite Pace Commercial College continued this week with a number of teachers refusing to go back to school.

The elite private school — built by American multinational corporations at a cost of millions of rands — was established in 1982 to prepare black youths for careers in private enterprise.

Reasons for the school's closure have not been made public.

### Resignation

Mrs Debbie Mabiletsa, chairman of the school board, said yesterday that the board had accepted the resignation of headmaster Mr Rex Pennington and that an interim headmaster would be appointed shortly.

"Mr Pennington would have retired at the end of the year, but is now going on long leave," she said.

"The deputy headmaster, Mr Oswald Mithali, has been running the school during the crisis."

Differences between Mr Pennington, a former head of Michaelhouse, Natal, and Mr Mithali, the celebrated poet and author of "Sounds of a Cowhide Drum", were initially blamed for the crisis at Pace.

Mrs Mabiletsa would not comment on the cause of the crisis, but said the board was investigating the matter.

She denied reports that the shocking six percent pass rate in last year's matric re-

sults was the main cause of the row.

Out of the 131 pupils who wrote matric last year, the school's first matric group, only ten achieved a matriculation exemption and eight got school-leaving certificates.

A former teacher said: "English was the major obstacle in most cases."

### Investigating

Dissatisfaction over pupils having to pass English as first language and Afrikaans as second, both in a higher grade, was also said to be one of the reasons leading to pupil unrest.

Mrs Mabiletsa said a special Parents' Executive Education Committee was investigating the matter, but added that the closure of the school was not the result of pupil dissatisfaction.

According to a source, members of the board had been trying to persuade teachers to return to the college.

"We are waiting for the teachers to come back," Mrs Mabiletsa said when questioned about the staff stayaway.

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## ANNIVERSARIES OF LANGA, SHARPEVILLE SHOOTINGS NOTED

### Commemoration of Both Events Noted

Johannesburg THE WEEKLY MAIL in English 21-27 Mar 86 p 7

[Article by Patrick Laurence]

[Text] SOUTH AFRICA'S white rulers — and their black auxiliaries — are haunted by the past.

Today is the first anniversary of the Langa shooting of last year and the 26th anniversary of the Sharpeville shooting of 1960. Eighty-nine people died on those two tragic days, March 21, 1985, and March 21, 1960.

They serve to remind the authorities and the world that South Africa's existing order rests, ultimately, on naked force.

Those killed by police bullets at Sharpeville were part of a crowd protesting against the pass laws. Those killed by police bullets at Langa 25 years later were part of the crowd marching to the funeral of people who died in earlier trouble at the neighbouring township of KwaNobuhle.

Neither event, however, has slipped irrevocably into history. Both are commemorated by the black community and by a handful of whites. Both serve to infuse "the struggle" with new vitality and determination.

Each year the anniversaries of past mistakes and tragedies return.

For the authorities there is no escape. They are the victims of the past, as they brace themselves for a fresh outburst

of protest. For the black community, too, there is no respite. They are confronted anew by the blood of the past and the challenge to press forward again in the quest for liberation.

Robert Sobukwe, the founder of the Pan-Africanist Congress, saw the black man's fight for freedom as an advance by the present generation from the position secured by the generation before.

That was nearly 15 years ago. Today the tempo has speeded up. The generations, in a political and metaphorical sense, pass more quickly. The anniversaries come in rapid succession. There are many more of them.

Since March 21 last year, there have been further shootings at Mamelodi, Queenstown and Alexandra. They have not had the same national or international impact as Langa.

But they will be remembered by the communities directly affected and provide new staging posts for further advances.

As March 21 recedes temporarily from memory, a new anniversary looms: June 16, the 10th anniversary of the Soweto uprising — another date to haunt or inspire, depending from which side of the barricade it is recalled.

## Langa Again Site of Trouble

Johannesburg THE WEEKLY MAIL in English 21-27 Mar 86 p 7

[Article by Patrick Laurence]

[Text] EXACTLY a year ago police opened fire on a largely unarmed crowd of blacks on their way from Langa to KwaNobuhle for a funeral, killing 20 people ranging in age from 11 to 50 years.

On that day, the 25th anniversary of the Sharpeville shootings of 1960, Langa, a small township on the outskirts of Uitenhage in the Eastern Cape, attracted world attention and acquired a place in South African history.

Today Langa is under threat of removal. Apart from long-term government plans to move its entire population of 8 000 families to KwaNobuhle, 426 families face an immediate threat of eviction as alleged squatters.

The KwaNobuhle Town Council (KTC), which is theoretically responsible for Langa, has applied to the Supreme Court for an order to evict the families. The KTC is nominally a black local authority, but its 16 councillors either resigned or were killed during last year's turmoil. Its authority is exercised by a specially appointed white administrator, Barry Erasmus.

The people of Langa have stood together and resisted the attempt to remove the 426 families, which is seen as a not so subtle stratagem to divide the community into permanent residents and temporary squatters.

Acting through the Langa Coordinating Committee (LCC), they are contesting the KTC application for an eviction order. The case will be heard on Tuesday, March 25.

The LCC, however, has gone a step further. It has presented an alternative to removal: upgrading of the whole of Langa, including the areas occupied by the alleged squatters.

Its proposals are contained in a detailed report entitled "Langa: the case for upgrading". The report is the work of a group of qualified professionals known collectively as "Planact". The report was commissioned by the LCC.

To many people, both here and overseas, the Langa crowd which fled after police opened fire was a faceless sociological entity drawn from a little known black township.

The report has located Langa in reality. It provides a fascinating picture of a poor but cohesive community fighting for survival.

Since last year's shooting, Langa has been organised into street and area committees which enable residents to "participate fully and democratically in all the social and political affairs that affect the township".

The impression created is that any attempt to relocate even a section of the people of Langa will be resisted. Judging from the report, the community is organised and determined to stay put, even if it is too close to Uitenhage for the comfort and prejudices of the residents of Uitenhage's white suburb of Leyvale, who in May 1985 petitioned for the removal of that portion of Langa closest to their neighbourhood.

Langa's 8 000 families live either in formally approved brick houses or in informal, self-built wood and iron houses.

The informal shack settlements are, however, not characterised by particularly large households: the average household size is five, far less than most shanty settlements elsewhere in South Africa and even less than the average of seven for households in Langa's formal housing section.

Contrary to white stereotypes Langa is not made up of a shifting, rootless population. Most residents have lived in their houses, whether of the formal or informal type, for at least five years. More than 10 percent of the population has lived there for 30 years or more.

But if Langa is a stable community it is also a poor community. Less than half the adults are employed, a reflection of the high level of unemployment in the Port Elizabeth-Uitenhage area.



The level of unionisation is relatively high. Of those people with work, more than a third are paid-up members of a trade union. Almost 90 percent of union members belong to the newly formed Congress of South African Trade Unions, which has signalled its determination to take up community issues.

A corollary of the high unemployment is the low level of income. The average household monthly income is barely over R185, or well under the household subsistence level of nearly R310 a month. More than a fifth of the households receive no regular income.

Two consequences flow from the poverty of most households. First, if they are moved to KwaNobuhle on the opposite side of Uitenhage, as the authorities propose, many will not be able to pay the higher rent and service charges there. Second, as long as the prevailing unemployment persists, neither the state nor employers will be able to overcome the housing shortage unless they are prepared to subsidise housing.

As it is, only four percent of households pay both rent and service

charges at Langa, while less than 45 percent pay rent only. More than 40 percent of households cannot or will not pay either rent or service charges.

Average monthly payments at Langa work out at just under R20. At KwaNobuhle payments will be between twice and four times as much.

Langa is characterised by a paucity of facilities and services. There is only one clinic, less than one water tap to every 1 150 people, no formal school buildings (children are taught in four church buildings and in a makeshift wood and iron shed), only one tarred road, no water-borne sewage (there is a mixture of the bucket system and pit latrines), and no electricity in the shack section of the township.

But Langa's people have no intention of allowing neglect by the authorities to be used against them as a lever to pry them loose and relocate them. Their seriousness is reflected in the report and its detailed proposals for upgrading Langa.

"A strong and democratic community organisation is already in existence in Langa," the report says. It is prepared to co-operate and to make financial sacrifices to upgrade Langa.

/13104

CSO: 3400/1376

## CONCEPT OF NEGOTIATION POLITICS ASSESSED

Johannesburg BUSINESS DAY in English 5 Mar 86 p 6

[Article by Peter Wellington, Political reporter]

[Text] **I**F NOTHING else, Dr Frederik van Zyl Slabbert's resignation from white party politics and Parliament has focused attention on the concept of negotiation politics in SA.

There has been some debate on just what constitutes negotiation as opposed to talks or consultations, and in what political climate political negotiation can take place.

There does appear to be consensus among government's opponents, though, on when negotiations can take place on a national level, and it essentially involves the attainment of a balance of power between the competing forces.

By all accounts, SA is some distance from real negotiation taking place between those who have institutional power (government, white interests) and those who have "peoples' power" (black organisations, such as the ANC, UDF, Inkatha, etc).

The ANC has dedicated 1986 to the "armed struggle," and civil unrest continues to scar townships throughout SA. It is against this background that government's latest attempt at a negotiating forum appears destined to fail.

Not only have the left-wing extra-parliamentary groups, such as the UDF, rejected the National Statutory Council (NSC), but moderate groups, including KwaZulu Chief Minister Mangosuthu Buthelezi, have ruled out participation, at present anyway.

Frustrated National Party sources have said talks cannot begin until peo-

ple come forward to talk, and admitted that at this stage it was still "talking about talks".

**A**nd it must hold the promise for a SA without apartheid, or any black participant immediately runs the risk of losing credibility.

President P W Botha's apparent reluctance thus far to consider dropping some of the cornerstones of apartheid — such as the Group Areas Act — suggests his vision of reform does not go far enough to entice black participation in the NSC.

Indeed, when Slabbert left Parliament he said government had no intention of scrapping apartheid. But he told Parliament that apartheid was not up for negotiation: what had to be negotiated was its replacement.

ANC spokesman Tom Sebina agrees. He says that to create the conditions for negotiation, apartheid must be dismantled, political prisoners released and organisations unbanned. "The whole process of negotiation must be democratic, to allow all people to participate in it," he says.

Wits University political scientist Tom Lodge rules out any possibility of a meeting between the ANC and representatives of government unless the preconditions are met. "A formal meeting would be presented as negotiations rather than talks".

Roelf Meyer, liaison spokesman of the National Convention Movement, says negotiations in the political are-

na are all about power, and if one party is not allowed to muster power to reach his goals "there cannot be any talk of negotiation".

Parties negotiate by reasoning, planning and relating, and at the same time by asserting their power. Without the freedom to assert their power, there can be no hope of negotiations taking place.

"This is the reason why the Nationalist government on the one hand talks about negotiation on power-sharing without getting anywhere, whereas on the other hand the blacks talk about preconditions, power to relate and organise, freedom for their political organisations and leaders." This is "freedom power" before negotiation, says Meyer.

Thus unless there is a reasonable balance of power between the parties there can be no genuine process of negotiation.

Meyer says government's basis for negotiation is the "win-lose" formula, and its most radical opponents are on the same level, at the other extreme — also non-negotiation, and also a takeover of power.

"At this point in SA we drift into a lose-lose option, where the powerful do not really wish to negotiate, and use more power and violence to try and control the situation, and where blacks cannot negotiate and consequently use more power and violence to obtain a powerful negotiation position."

Thus for negotiation to succeed the following components must be present:

- ☐ A reasonable balance of power must be achieved;
- ☐ A win-win framework must be adopted, which includes compromise, and both sides interests must be met to a large extent — political determination and security;
- ☐ Vital preconditions must be met — i.e., the unbanning of black organisations; and
- ☐ A recognition that violence on either side is not part of the negotiation process.

While national negotiations therefore appear unlikely at present, negotiations can get off the ground on a localised level. The most obvious example is in the field of labour relations.

Yet it is not negotiation politics at the national level, but rather at the local level — on shop floors in the

field of labour relations and in many smaller towns, particularly in the Eastern Cape — that have been hit by consumer boycotts.

Peter Vale, director of Rhodes University's Institute for Social and Economic Research, says he believes negotiation politics can succeed at the local level, but not at the national level at this stage.

"To go for the 'big prize' at the moment is not on. Among government's opponents there is a tendency to underestimate the State's capacity to withstand pressures. It is not about to collapse."

**H**e says a balance of power between the parties — a crucial element in real negotiations — has to some extent already been achieved in a number of towns in the Eastern Cape.

There, a string of well co-ordinated consumer boycotts had a crippling effect on many white businesses, and white authorities had no option but to negotiate with black leaders.

Vale says many black communities are pushing for common municipalities. While this might seem a "banal place to start," Vale sees it as important symbolically and practically — symbolically because it breaks the "apartheid mould" and practically because it brings black and white to work together on common interests.

What whites have to do is agree that community councils in black areas have not worked, and together with black communities explore ways to bring black and white together.

Vale points out that negotiation politics is not an easy option. "We have to go through a long and hard process that will break down frequently. But what we have to do is build up confidence between communities where none exists."

Once confidence is built up, the parties must sit down and trade white institutional power with black consumer — or "naked" — power.

Negotiations within the field of labour relations have perhaps pointed the way. Says Anglo American Corporation industrial relations consultant Bobby Godsell: "Real power is being shared in labour relations, and in that sense the workplace has become a laboratory for post-apartheid SA, in that through collective bar-

gaining workers and management have resolved conflict in an orderly and constructive way."

**B**ut Godsell sounds a warning. He says that unless democratic structures are created for resolving conflict outside the workplace — in education, local affairs and at national political level — then the burden on collective bargaining will become too much and the whole process could collapse.

For his part, Meyer has definite ideas on how the log-jam can be broken to restore the balance of power and pave the way for negotiations at the national level:

☐ Anti-apartheid groups should join forces to gain more power. This, he says, would diminish violence, as violent action is caused by lack of legitimate power and trapped frustration;

☐ All possible action should be explored to exert pressure on government to release illegitimate and excessive power and control over people; and

☐ Legitimate, powerful levers must be found and used against government to dismantle apartheid and to honour the preconditions for genuine negotiation.

In short, negotiation cannot take place until people have something to negotiate with, and this can only be done once the climate for negotiation has been created. But to succeed, whites have to accept a loss of exclusive control over political and institutional power, and trust blacks to accept their share of it.

People must be free to organise, to consult their constituents and to devise strategies — therefore, the preconditions must be met. And government must accept that apartheid is not acceptable to the vast majority of South Africans. It, therefore, is non-negotiable.

/13104

CSO: 3400/1375

## COLUMNIST COMMENTS ON TOLL OF STATE OF EMERGENCY

Johannesburg BUSINESS DAY in English 6 Mar 86 p 4

[Article by Thelma Tuch]

[Text]

**F**ROM tomorrow, SA will no longer be in a state of emergency, according to State President P W Botha, who has decided to bring the more than seven-month-old emergency regulations to a halt.

The decision to lift the regulations can hardly be said to follow the achievement of the object of enforcing them in the first place — being the restoration of law and order in the townships.

While unrest in certain townships may have abated, it erupted on the outskirts of Johannesburg in Alexandra township as recently as last month and is poised to flare at any catalyst in hundreds more.

Daily incidents of clashes between police and residents, sporadic school boycotts or violence directed at community councillors are reported, as they were both prior to the declaration of emergency regulations to 36 Magisterial districts on July 21 last year and the months since then.

The regulations extended the power to detain — formerly reserved for high-ranking police officers — to every member of the police force, Railways police, prisons service and army.

They contained an indemnity clause which declared that no criminal or civil proceedings could be brought against the state or any member of the security forces for an action carried out in terms of the emergency.

**D**uring this period, 7 878 people were detained — 7 600 of whom have been released — and 278 are still being held. Of these figures, 2 106 were under the age of 16.

Further, according to government statistics, 955 people have died and 3 658 were injured during unrest between September 1984 and February this year. SA Institute of Race Relations figures show that 1 158 people were killed during this period.

In the seven months preceding the declaration, 300 people were killed, according to police. In 1984, 200 people died in unrest incidents.

Hundreds of black local government officials resigned, many were murdered or had their homes destroyed and sustained educational boycotts emptied whole schools.

The declaration of the state of emergency evoked widespread criticism and was condemned in many circles as manifesting blatant failure on behalf of government to get its reform plans into gear.

However, in the initial stages qualified approval came from the US government, which referred to it as an opportunity to allow government to get on with its urgent business of reform.

On the first day of the state of emergency — in a bid to clamp down on those supposedly instigating the unrest — hundreds



were arrested and detained under emergency regulations, setting in motion the circle of protest, clashes with police and deaths. At funerals, tensions ran high and usually led to further fatalities and injuries.

Within 24 hours, five people had died in unrest, black homes were searched, political meetings broken up and police occupied the East Rand township of KwaThema. Two buses of mourners returning from the 40 000-strong Cradock funeral of brutally murdered community leaders were stopped and the occupants detained.

On the second day the Press was alerted that it had to scale down its coverage of township unrest as a special security force was set up to monitor daily newspaper reports.

Commonwealth Secretary-General Sir Shridath Ramphal repeated his call for sanctions against SA, blaming apartheid — not the resistance to it — for the country's state of emergency.

July 23 brought a change of tone from the Reagan administration, which said the SA government should bear a considerable responsibility for causing unrest. The Dutch government condemned the state of emergency and Britain called for an "early end" to it, but reiterated its opposition to economic sanctions.

The strongest reaction came from France the next day, when it recalled its ambassador and suspended all new investment in SA.

Financial markets were shaken by the spate of arrests and France's reaction. Sharp deteriorations registered in the stock market, the money and capital markets, foreign currency markets and property.

**B**y July 28 the number of arrests rose to 1 166, according to police, but the Detainees' Parents Support Committee maintained that more people were being held and additional thousands were being charged with public violence.

At the end of July, Minister of Law and Order Louis le Grange announced that the number of people attending funerals was to be limited and forbade outdoor memorial services for unrest victims.

This coincided with a call by the International Labour Organisation for the release of all trade union officials detained under the emergency regulations.

At the beginning of August, stringent new regulations, promulgated under the Public Safety Act of 1953, were announced for the Graaff-Reinet area and the township of Adendorp. No pupil would be allowed outside classrooms on schooldays between 8am and 2pm.

By August 8, wider powers — including the control of petrol and school boycotts and the imposition of curfews — were given to police in the Eastern Cape and on the East and West Rand in terms of the emergency regulations.

At about the same time, Foreign Minister Pik Botha met senior US officials in Vienna to discuss the state of emergency.

State President PW Botha failed to announce expected reforms in a Nationalist Party congress address on August 15. Soon after the rand plunged 30%, foreign banks demanded premature repayment of their loans, and SA was forced to declare a moratorium and reimpose exchange controls on non-residents.

Throughout August, unrest continued nationwide. The diplomatic freeze tightened after the announcement that Norway's chief diplomatic representative in SA would not be returning to Cape Town.

The European Community (EC) commission demanded that SA end the state of emergency and a multilateral decision was made by the EC, Spain and Portugal to temporarily recall their envoys to prepare for a meeting on joint anti-apartheid strategy. Switzerland urged the SA government to end the emergency and Canada announced it would recall its ambassador from SA for consultations.



Victoria Mxenge, widow of civil rights lawyer Griffiths Mxenge, was gunned down at her Umlazi, Durban, home. Her husband was mysteriously killed four years ago.

Unrest was reported in Soweto, Tembisa, Mamelodi, Triabong, Ikageng (Potchefstroom), New Brighton and Langa (Port Elizabeth), Mtunzini (northern Natal) and Philipstown (northern Cape).

Church leader Allan Boesak and 10 other clergymen appeared in the Wynberg Magistrates Court after being arrested for trying to enter Guguletu to attend the funeral of an unrest victim. Six policemen and a CBS TV sound engineer were injured in a hand-grenade blast after the funeral.

Also in August violent clashes between blacks and Indians in Durban's Indian townships of Inanda and Phoenix left more than 60 dead and many others injured. Clashes were said to be sparked off by conflict between the UDF and Inkatha movements.

Ten students from Wits were arrested and at least 30 injured after police used sjamboks and tearsmoke to break up a demonstration against the emergency.

In East London's Duncan Village 19 people were killed, and government imposed a strict curfew on Eastern Cape townships and in Soweto.

According to police, 119 people had died and 1 669 were arrested in unrest within the first month of the state of emergency — averaging four deaths and 54 arrests a day.

At the end of August, 28 clashes between security forces and thousands of demonstrators left at least eight dead, scores wounded and 29 under arrest.

**P**olice tried to prevent activists from marching on Pollsmoor prison to demand the release of Nelson Mandela. Boesak was detained and the Rev Jan de Waal, of the NG Sendingkerk in Wynberg, was injured after being beaten by riot police.

The Western Cape was hit by the worst riots since 1976, resulting in the deaths of about 69 people.

September was the month during which 464 coloured schools were closed due to the unrest, affecting 500 000 pupils.

In October, government lifted the state of emergency in five Eastern Cape districts and in the Westonia area in the Transvaal, but extended it to eight more districts in the Boland and Western Cape. Meetings of 100 anti-apartheid organisations were banned.

In November, police opened fire on a crowd of more than 50 000 in Mamelodi, killing 19. Police arrested 120 people as widespread violence sparked by the funerals of three pupils swept the country.

Government then banned the taking or publication of any photographs or films of unrest situations in any emergency areas, except with specific police permission.

**B**y December the state of emergency was lifted in eight more areas. In many unrest incidents people — most suspected of being informers, councillors or traitors — were "necklaced".

During January Pondo-Zulu faction fights resulted in the deaths of 67 people, and a further 19 deaths were recorded in clashes between KwaNdebele vigilantes and Moutse residents.

Massive conflict swept through Leandra, near Secunda, as confrontation between the Leandra Action Committee and a vigilante group came to a head with the gruesome murder of community leader Chief Ample Mayisa of the action committee. At his funeral, more blood was spilt in further clashes.

At the end of this January thousands of students returned to school. Whether they remain in their classes is contingent on a number of demands — one being the lifting of the state of emergency — being met by the end of this month.

## COLUMNIST DISCUSSES ANC, ROLE OF IDEOLOGY

Johannesburg BUSINESS DAY in English 14 Mar 86 p 4

[Article by Simon Barber]

[Text] PRETORIA spends an inordinate amount of time and energy trying to persuade people that the ANC is a communist organisation. ANC leader Oliver Tambo spends almost as much time denying it. The question, like virtually all ideological disputes, is spurious.

If current trends continue, it really won't matter an iota what kind of "-ist" the next SA government calls itself, because the substance will be the same anyway. Extremely unpleasant for the vast majority, regardless of colour, class or political affiliation.

Ideology is the servant of the will to power, particularly in Africa, where for a variety of reasons there are precious few popularly accepted structures through which the will to power can be channelled and contained, and where Western concepts of society, polity and nationhood are rather recent, and in many cases artificial, developments.

The existence and survival of unpleasant regimes like those of Mengistu in Ethiopia or Dos Santos in Angola cannot be entirely blamed on the Soviet Union or its Cuban allies.

### Cohesion

The communist bloc may be providing the hardware and the intellectual software with which those leaders have been able to acquire their states and hang on to them, but it is not solely responsi-

ble for such states arising in the first place.

With or without Marxist-Leninist doctrine, the majority of African nations were bound to turn to dirigiste models the moment they achieved independence, and not merely, as some have held, because they naturally tended to mimic departing colonial administrations.

Successful democracy requires a certain sense of cohesion, common purpose and shared values — not to mention a broadly-shared economy — which simply did not obtain in most of the countries in question.

The way was open for any individual with a tribe or army at his back to seize control. It just so happened that Lenin and Co offered the best textbook on how to do it successfully and with some hope of permanence and international legitimacy.

No one has ever offered a better prescription. Even the Afrikaner Nationalists borrowed an idea or two on the road to 1948. The fact that nowadays the instructions come with free Kulaschnikovs is icing on the cake.

You, too, can have your own state to play with if you just follow these simple rules and bone up on the mumbo-jumbo. It's extraordinary how many of your future peons will think you're referring to them when you talk about the "people" and their "liberation" — and how many Western liberals will also take you at your word.

The ANC wants its state, and is following the rules diligently. As P W Botha noticed in a recent interview with the conservative *Washington Times*, the pattern of unrest in SA's black townships, with the liquidation and intimidation of local authorities and other "stooges," closely mirrors the tactics of the Viet Cong.

The State President errs in claiming this as proof that the ANC is communist, however. It proves nothing of the sort. The only real communists, if there are still such people, are pathetic old romantics still able to convince themselves that despite the evidence of their eyes, Marx's pseudo-scientific verbiage means something.

Far from being addled Utopians, the ANC leadership proves by emulation of the Viet Cong that it knows exactly what it is doing. It is seizing power. Nothing more, nothing less.

And once it is in power, like almost everyone else on the continent, it is not going to give it up. There will be terror, on a multi-racial basis, in the name of "class struggle" or some such slogan, but in fact to remove troublesome rivals.

There will be state control of the economy, because free enterprise means people other than the ruling oligarchy making decisions. Uncontrolled decisions are subversive, as are institutions, such as churches, that fall outside state purview. Genuine elections? Heaven forbid.

But again, this does not make the ANC communists. They will simply be doing what anyone with their will to power would do under the circumstances.

## Ideology

And let's face it, the Nationalist government hasn't been doing things very differently in its efforts to perpetuate its hold over the country. Ideology has been just as much its tool as it will be the successor regime's.

In short, it doesn't make much sense quibbling over what the ANC is or is not in ideological terms. You could call it a blue party or a green party, and it would mean just about the same

as calling it a communist-controlled party.

It is a group of people aiming to overthrow a government and replace it with themselves, and there is very little possibility that when they succeed will be fundamentally much different in their approach to staying put. They will simply use different slogans, and make different excuses for whatever brutality they find it necessary to commit.

Consider, by way of analogy, the late new Jewel movement on Grenada, a thugocracy we know a lot about thanks to the enormous trove of documents captured during the 1983 US invasion.

The Reagan administration insisted that Prime Minister Maurice Bishop was a Marxist backed by Cuba and the Soviet Union. In fact, he was a gangster who replaced another gangster, Sir Eric Geary, and cultivated different friends.

Had the administration concentrated on his thuggery per se, and not the ideology he used to justify it, the problem might have been sorted out a little sooner.

Instead, Reagan's critics were able to say, well, there he goes again, being beastly to poor little socialists. Bishop became the toast of liberal Washington — a hero trying to turn his besieged island into a genuine democratic paradise.

He was nothing of the sort, as the following quote from his now famous "line of march" speech makes rather clear:

"Consider how we detain people in this country. We don't go and call for no votes. You get detained when I sign an order after discussing it with the national security committee of the party or with a higher party body. Once I sign it, like it or don't like it, it's up the hill for them."

## Blinded

So many people went "up the hill" that a brand new prison was built to accommodate them. But because of the ideology red herding, this went totally unnoticed.

The ideology debate similarly blinded the US from any consensus on the nastiness of the Sandin-

istas in Nicaragua when they ousted the equally nasty President Anastasio Somoza in July 1979.

You don't have to know — or even believe — that the authors were communists to see that they were up to no good. Yet the argument continues as the administration battles to convince Congress to help oppose the Sandinistas because they are Marxists.

What they call themselves is irrelevant. What they are — a tight-knit group of oligarchs determined to rule in perpetuity, and therefore to surround themselves with other like-minded tight-knit oligarchs — is what counts, and why they are dangerous.

The same thought applies in SA. Two ideologically opposite forces are fighting it out for an identical goal: total power. That, and not the idea that one is "communist" and the other "fascist" or "racist," is what matters — and why it is important to abandon the political myths and slogans, and for the centre to get its act together and hold.

But what am I saying? The centre, axiomatically, has no will to power. Since 1948, it has allowed itself to fall victim to thugs. And so it will until finally extinguished by the -ists.

/13104

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SALES OF HOMES IN 'GREY' SUBURBS SPARKS ABUSE OF INDIANS, WHITES

Johannesburg SUNDAY TIMES [Metro] in English 16 Mar 86 p 1

[Article by Jeremy Brooks]

[Text]

**A RIGHTWING pamphlet pinpointing the homes of Indians living in white suburbs — and identifying home-owners prepared to sell to Indians — is being circulated in the "grey" Johannesburg areas of Mayfair and Homestead Park.**

The pamphlet is fuelling a hate campaign against them, say the bitter victims who have also suffered a spate of abusive letters and telephone calls.

But the pamphlet's author, Mr Allen McCabe, chairman of the Homestead Park Residents Association, is unrepentant.

Mr McCabe admits he is trying to whip up support to stop the sale of homes in the suburbs to Indian families.

The families are officially living in contravention of the Group Areas Act after buying their properties in cloak-and-dagger deals with the use of white nominees.

However, for more than three years the Government has turned a blind eye to this practice.

And while the Indians' status remains uncertain, the families remain at the mercy of neighbours who can at any time make their lives difficult and unpleasant.

An estate agent, Mrs June Pope, said this week: "Some neighbours protesting about living alongside Indians may take the civilised course and make an official complaint to the police.

"However, it becomes a lot more ugly than that. Letters, threats, abusive phone calls, and the occasional bottle or stone thrown through a window are not uncommon.

### Nightmare

"Generally, most Indian families settle in very well. But others are forced to live through a nightmare — only worsened by this vicious pamphlet."

The irony of it all, said Mrs Pope, was that Indians were

actually propping up, if not pushing up, the flagging value of properties in the two suburbs at a time when the property market in Johannesburg generally had hit the bottom.

They are desperate to pay premium prices for homes closer to Johannesburg than far-flung Lenasia.

Recently houses in Mayfair, formerly a depressed area, were fetching higher prices — metre for metre — than the plush northern suburbs of Sandton.

But Mr McCabe said he believed that Indians living in the area would create a "Brixton-type riot situation."

The pamphlet — a duplicated sheet — assures residents that the "fight to keep our residential areas white will continue".

### Assurance

It singles out the family of an Indian professional man in Homestead Park, and giving his address.

It quotes his case history, saying he and his white wife were forced to move out of Lenasia to avoid "extremely unpleasant physical treatment and racial discrimination".

The man told the Sunday Times he had never lived in Lenasia, or any other Indian area, in his life.

"The only problem I've had with white residents in Homestead is from Mr McCabe himself.

"I laid a complaint against him with the police after he arrived at my house and confronted two of my guests — an Afrikaans multi-millionaire and an Australian visitor."

The man said he had absolutely no problems with his white neighbours, and he and his wife had in fact made friends with them. He has been living in Homestead

Park for three years this month.

Other addresses in the pamphlet belong to white people considering selling their homes to Indian buyers.

One man confirmed that Mr McCabe had called his wife after Indians were seen looking at their property. Then his address appeared in the pamphlet.

"I'm very frightened. I have small children, and I don't want to say anything."

Mr McCabe says the pamphlet was "merely issued to expose the hypocrisy of a government that allows other races to move into white areas, but still insists on keeping separate schools and other facilities".

### Buyers

Mrs Pope, who works for Schoeman Agents in Melville, receives special mention in the pamphlet for "bringing Indians" to houses in Mayfair and Homestead Park.

Mrs Pope said she had received a devious telephone call inquiring if she sold houses to Indians.

"If the caller had asked me straight out, I would have immediately answered him in the affirmative," Mrs Pope said.

"These people have the cash; they're respectable families. They'll almost certainly upgrade the area in which they buy, and I see no reason why I shouldn't deal with them."

Mrs Pope said she was tired of "pathetic charades" when deals to sell a house to an Indian were concluded in attorneys' offices.

"The Indian businessman sits quietly in the corner not saying a word.

"He's putting up the money, but a white nominee — the man whose name will eventually appear on the title deeds — negotiates the deal."

/13104

CSO: 3400/1387



MP ON NEED TO CREATE JUST SOCIETY AFTER APARTHEID

Johannesburg SUNDAY TIMES in English 16 Mar 86 p 27

[Article by Harry Schwarz, PFP MP for Yeoville]

[Text] **THE debate about apartheid has shifted to a more fundamental level and now takes place in three main streams.**

Firstly, those who wish to maintain it *openly* and regard it as the basis of their political philosophy.

Secondly, those who wish to remove it and want a society free of discrimination based on race and colour.

And, finally, those who are conscious of the need to do something about apartheid but are hesitant, either because of uncertainty about the consequences of their actions or because of old prejudices which they find difficult to overcome.

Inherent in all three approaches, however, is the problem of definition, and unfortunately one finds few white politicians or their parties willing to give their definitions of the term and, having given such definitions, to state what portions are:

- Accepted as to be abolished.
- Negotiable.
- Non-negotiable.

To me apartheid means a political and economic system which discriminates on the grounds of race or colour, creates privilege for one group and disadvantage for another, imposes compulsory group membership and separation where deemed necessary or desirable as opposed to freedom of association, and uses the law to enforce such policy.

Opposition to apartheid does not mean one believes that those who wish freely to associate cannot choose to do so; does not mean a pretence that there

are not people of different races or colour, but it does mean that there is no disadvantage by reason of race or colour.

Apartheid will not survive in South Africa. There will be those who will cling to it, mourn its passing, resist its disappearance, but go it will. What will follow it, however, is vital for peaceful co-existence in the country.

Whether the country will be part of the free world, and whether the very human rights one has struggled for will exist after apartheid, is becoming increasingly the vital issue.

## Fundamental

To achieve the kind of society those of us who believe in a free society want, the way in which apartheid will go becomes a fundamental factor.

Will apartheid go because of pressure internally and from abroad? Will it go because of the fear of consequences if it does not go?

Or will it go because there is an appreciation that discrimination is wrong and morally unjustifiable, and that if a new society — which is stable and secure — is to be created, apartheid can form no part of such a dispensation.

There is a new appreciation of this issue in South Africa. The State President's speech at the opening of Parliament is indicative of this, though in fairness it must be stated that the phraseology used is of such a nature that it is open to differing interpretations.

One factor, however, appears clearly from it. There is a desire, one may call it a determination, that some changes are to come about. The question is: where is the line to be drawn? How far will the Government go? Here we enter some grey areas.

There are laws which included dis-

criminator provisions which have already been repealed or amended, and there are some others which are due to be repealed or changed during this session of Parliament.

## Arguments

There is little doubt that it is the entrenchment by law of discrimination which has created the major problem in the eyes of not only the outside world but in race relations in the country.

Few, if any, societies can claim to be free of discrimination, but there are none that I am aware of other than South Africa where discrimination is entrenched in law.

It is Parliament which has enacted these discriminatory laws; it is therefore for Parliament to repeal them.

The arguments will be advanced that there is already a movement towards removing discriminatory provisions in the law. The examples of the immigration law, the restrictions on Indians in the Free State and Northern Natal, and even the last vestiges of job reservation, those on the mines, are likely to go.

## Delicate

All of this is welcome, but the need to review all laws is there. The need for Parliament itself to take the initiative exists.

Then, too, one can anticipate the argument that there will be a dispute as to whether provisions are or are not discriminatory and the problems of the so-called non-negotiables.

The answer to this rests on the following premises:

1. Once the review process is started there will be many provisions on which virtually everyone will agree must go. Let's repeal those laws till at the end there will only be a relatively small number on which the real debate can take place.

2. Once the process starts, I venture to suggest it will be remarkable how little difference of opinion will remain in the end. People will find each other and have much more common ground than is now believed.

There is another, perhaps delicate, issue which needs to be raised.

In the House of Representatives and House of Delegates there are members who do not have it as easy in the constituencies as perhaps

those in the House of Assembly have.

They have to demonstrate to their people why they are participating in the system; they have to produce the benefits to their people of such participation.

I believe they want to participate in such a negotiating process to remove discrimination. It is not only executive action that is required to introduce laws. As their private members' motions and debates have demonstrated, they want removal of discriminatory laws.

The governing party owes it to those who have shown confidence by operating within Parliament not to block the move to appoint a committee to review all laws with a view to removing all discriminatory provisions. Yet it has blocked the appointment.

The issue of discrimination entrenched by law is a vital one. It is often said this is not a product of recent times. Whatever the timetable as to when the laws were introduced, the reality is that they are the product of statute law; the common law of South Africa did not allow unjust discrimination.

To mention only three cases decided in the Appellate Division of our courts: Rasool, Abduraman and Lockhart all hold that where facilities were not equal and where there was discrimination on the grounds of race, it could not be enforced without specific statutory provisions. This is why statutory provisions were introduced to enable unequal and separate treatment to be meted out.

When the Group Areas Act was argued before the Appellate Division many years ago, it was said that separate areas would not mean unequal treatment. I wonder whether anyone would really try to argue that today.

Without the legislation permitting discrimination, the housing position would have been quite different, and there would never have been the "Whites Only" boards which once proliferated across the countryside and which are now mostly in the process of disappearing.

## Compulsion

Statute law lies at the root

of not only separation but of inequality, at the root of compulsion as opposed to freedom of association.

Certainly there are groups in South Africa and people of different colours, races and other characteristics, but need membership be enforced by law, do we not know who we are, what we wish to belong to and with whom we wish to associate?

Until all these laws are off the statute book there cannot be said to be a society free of

apartheid — a society free of discrimination. Parliament put the laws on, it should take the initiative in taking them off.

One needs also to be careful that when discriminatory provisions are repealed they are not replaced by provisions which are viewed, rightly or wrongly, as entrenching a privilege in another way.

If apartheid goes, it must really go and not re-appear in a less ugly guise.

/13104

CSO: 3400/1387

## NAMIBIA SEEN AS MODEL FOR NATION IN TACKLING APARTHEID

Johannesburg SUNDAY TIMES in English 16 Mar 86 p 27

[Article by Max du Preez]

[Text] SOUTH AFRICA's problems, a common argument runs, are unique. And thus should be its solutions.

But there is another country where the same peculiar ideology of apartheid has been applied over many decades.

There, too, the people have been ruled with the same iron hand by the same peculiar tribe: the Afrikaners.

Indeed, Namibians have for years blamed South Africa for using Namibia as an experiment. If this is true, then it seems South Africa has not learnt much.

Namibia makes a valuable comparison for South Africa because in the last 10 years it has embarked on the dismantling of apartheid — something South Africa is now in the process of doing.

It, too, is struggling with the arguments of statutory group classification or voluntary association, white fears and black nationalist expectations, racial prejudice, an armed struggle, and hostility between "co-opted" blacks and those wanting to break the system down.

There are, obviously, vast differences between the two countries.

The main one is that South Africa is infinitely more industrialised and urbanised than Namibia, but there are also big differences in tribal and ethnic constitution, in the land/people ratios and in history.

Nevertheless, it seems a worthwhile exercise to analyse what lessons our northern colony has for us.

## Tolerance

An important Namibian lesson has been that the ridding of pass laws, homelands, exclusive residential areas and segregation in public

facilities has taken away a lot of the hatred and frustration in Namibia.

There is a remarkable racial tolerance in at least Windhoek and the bigger towns that was not the case 10 years ago.

This has been the biggest single factor counting against Swapo's efforts to mobilise the masses against the Government. There is just no immediate and strong "cause" to rally around.

The dismantling of apartheid in Namibia has other lessons for South Africa. In Namibia it has been made a criminal offence to refuse anyone access to public facilities, hotels and restaurants on grounds of race.

This met with initial strong opposition in the rural areas and smaller towns where, if the principle of "local option" had been applied, apartheid would have been alive and well.

But the scrapping of apartheid without simultaneous economic advancement of blacks has meant that Namibian blacks don't feel apartheid has been scrapped.

Frequently black Namibians claim apartheid is alive and well — but would still not be able to point to any single act of forced segregation.

The Group Areas Act was scrapped years ago in Namibia. Most professional black people and members of the higher income groups, as well as political leaders, now live in the better suburbs of "white" Windhoek.

In the middle class and lower middle class white suburbs there have been very few black people buying houses — mainly because fairly good housing is so much cheaper in the black and coloured townships.

And Namibians of all colours and persuasions claim there has been no friction or problems in "mixed"

neighbourhoods.

Another old belief, namely that the creation of a black middle class weakens the "liberation struggle", seems to be true of Namibia.

Windhoek has a fairly large black middle class, including many of the country's political figures, and they have become remarkably moderate as their socio-economic position and prospects have improved.

## Ability

The man most responsible for breaking down apartheid, the Democratic Turnhalle Alliance's Dirk Mudge, says the ability of whites, and especially of Afrikaners, to accept rapid and fundamental change is totally underestimated.

He was the man whose slogan it was in political electioneering that "racism is a bigger threat than communism". And at least half the whites are now behind him.

One lesson Namibia holds, however, implies the explosion of a popular belief — that "blacks always follow the strong man".

Swapo, Namibia's equivalent of the ANC, has been thoroughly beaten on the battlefield and is presently a shadow of itself 10 years ago.

Yet there is no sign that the movement's internal political support has waned in the least.

## Credibility

What is more, despite recent evidence of serious power struggles in the external Swapo leadership and maltreatment of cadres in camps, the external leaders are seen as the real leaders and are hero-worshipped by the people inside.

This is partly true because of the security forces' low credibility among the population.

This has happened despite the South African military's expensive campaign over years to get to the hearts and minds of the people, especially in the war-torn northern areas.

Hatred for the South African security forces still accounts for the single most important unifying factor among black revolutionaries.

The security forces' attempts to establish a "strong man" image through strong-arm tactics have in fact been the most counter-productive action over the last two decades.

The SADF has played a very prominent role in the shaping of South Africa's Namibia strategy, and in many ways is literally running the country.

And it has made mistakes. Its involvement in local politics has often turned to disaster. Its assessments, and consequently its advice to the

South African Government, have often been off mark.

A cautionary lesson about an increasing military role in South African politics is thus sounded.

Another Namibian lesson is that white right-wing militancy nipped in the bud withers.

Namibia had several experiences of white terrorism, but after a few detentions and a number of court cases there is virtually no trace of it left.

Namibia is ruled by a transitional government made up of parties in the Multi-Party Conference.

Some of the Cabinet members, such as Swanu's Moses Katjiuongua and Swapo-D's Andreas Shipanga, were, until recently, militant nationalists with strong Marxist and Maoist leanings.

## Puppets

But their coalition with the DTA and the conservative whites in the National Party which, under the circumstances, has been a truly remarkable step towards national reconciliation, has cost them their credibility among many blacks to a point where they are now seen as South African puppets by many people.

Namibia's biggest immediate headache is its clumsy and unpopular ethnic ("own affairs") second-tier governments.

They are administrative and financial disasters which have developed into corrupt little empires.

In the eyes of many blacks, it is an excuse for whites to remain separate, to keep their schools exclusive and to wield most of the power through their financial muscle.

The Namibian experience also makes it clear that enough attention should be given to symbolism.

Many things in the life of the ordinary black man have changed fundamentally over the last decade and there is little chance that a Swapo government can improve their living conditions after "liberation".

Yet many blacks still feel enslaved and oppressed, despite the fact that they have a predominantly black government.

What they seem to need is a symbolic gesture or happening to release that emotional feeling of "being liberated".

A pressing question now facing Namibians, however, concerns leadership.

Many are now asking whether they can afford to do without the leadership qualities of the external Swapo leadership. The dilemma, in the South African context, is equally acute.

SACC GENERAL SECRETARY PREDICTS INCREASING CONFLICT

Johannesburg THE STAR in English 17 Mar 86 p 4

[Text] DURBAN — If the Government bans a major education conference in Durban at the end of this month it could lead to the closing down of every black school in the country, said Dr Beyers Naudé.

Speaking at a public meeting to mark the opening of the Black Sash National Conference in Durban this week, Dr Naudé, General Secretary of the South African Council of Churches, predicted increasing conflict, polarisation and repression in the next six to nine months.

**VIOLENCE**

But at the same time there would be "increasing liberatory action" by organisations like trade unions, civic associations and youth groups. Unlike most white South Africans he saw hope that fundamental change would be achieved by these actions.

Dr Naudé, who received a standing ovation, said South Africa had only begun to experience the effect of action such as consumer boycotts and strikes. If the negotiations between the Government and the Soweto Parents Crisis Committee were not concluded to the satisfaction of the black community by March 31, he was not prepared to predict what would happen.

A major conference on black education was due to take place in Durban at the end of this month. If the Government

banned it, the situation would "take a decisive turn towards that moment when eventually in the course of this year there will be practically not a single black school or educational institute operating in this country".

If that occurred then trade unions might act in support of the pupils.

But what the white community saw as a frightening possibility, he saw as a sign of hope because fundamental change would only come about through these kinds of pressures. If the black community could not use non-violent actions to attain their rights as human beings "what else remains to them but violence?"

Dr Naudé said fundamental change would only come about through increasing economic and political pressure and by actions undertaken in South Africa.

As long as extra-parliamentary or so-called radical forces remained excluded from the negotiating table, there would be no peace.

**STATE OF WAR**

Dr Naude said that was why he was in favour of sanctions, disinvestment, civil disobedience, the End Conscription Campaign and other non-violent forms of pressure.

It was important that "we stand in solidarity and identify in some small way with those who want to bring about meaningful change in South Africa."



"I'm quite certain we have to face a situation of serious conflict, crisis, bloodshed, and I can't see how it can be avoided. But I do see it could be diminished, that it could eventually be terminated ..." This would occur as more people were willing to take meaningful action in solidarity with the oppressed.

Dr Naudé said it was with deep sadness he concluded there was no longer any point in discussing solutions purely in terms of non-violent against violent means "because we are in a state of violence". As far as the black community was concerned South Africa was at war. He said among the effects of the present situation was an almost total loss of respect for the laws made by the white man and the instruments created to apply these laws.

#### **PAINFUL**

"That is why, increasingly, individuals and groups of people in the black community are taking the law into their own hands. That is why we see the expression of crude forms of justice and terrible forms of injustice. That is why we have necklace killings, burning of homes, kangaroo courts.

"What we are experiencing at the moment, if there is no miracle, is only the beginning of a total undermining of not only authority but respect for authority, and how long and how painful it is going to be to rebuild that."

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SHEENA DUNCAN COMMENTS ON CIVIL DISOBEDIENCE AS LAST RESORT

Johannesburg THE STAR in English 17 Mar 86 p 4

[Text] DURBAN — Outgoing Black Sash president Mrs Sheena Duncan has urged South Africans to consider civil disobedience as a way of bringing about peaceful change.

A "total pacifist", Mrs Duncan was expanding on her presidential address at the Black Sash national conference in Durban this week.

She said in her speech: "We must claim for ourselves the right to live as free men and women. The guns of the State cannot prevent us. They can only succeed if we offer our co-operation and we have done that for too long."

Mrs Duncan said the whole country was being consumed "by a mortal disease".

Power was "maintained by Mr Botha's political clique by the barrel of a gun".

But she warned if power was taken from the State through the barrel of a gun "then we are all going to live through a time of unimaginable terror".

"There will not be much hope that we will come out of these terrible times into an era of justice and peace. War destroys the future as well as the present.

"I believe that there is one small hope left in South Africa now and that lies in those political movements and black communities who have withdrawn and are withdrawing their co-operation from the apartheid State."

Mrs Duncan said: "The withdrawal of co-operation entails civil disobedience.

"Civil disobedience must not be entered into when the law can offer redress. It is a last resort. In South Africa the law does not offer redress for the many gross violations of civil liberties and human rights which are part of the laws for this country."

"I would urge all South Africans to think along these lines because I'm convinced the vast majority of South Africans do not lust after violent solutions."

She was not advocating a civil disobedience campaign "because it is very difficult to say: 'You should not obey the law'".

"But I'm hoping the Black Sash will continue, as it has over the past two years, to seriously consider and engage in various acts of civil disobedience."

Black Sash president-elect Mrs Mary Burton said in an interview that civil disobedience could not be the policy of the Black Sash.

"I don't think any organisation can simply decide to break the law. Part of our constitution is that we work through legal and peaceful means to bring about change and that would still be our desire."

However, it had been a matter of policy for some years that if a Black Sash member felt compelled to break the law on a matter of conscience she would have the support of the organisation. Mrs Burton said in the past year a number of Black Sash members had been arrested for contravening the law, "all of them on the basis of conscience".

BARCLAYS BANK REFUSES FURTHER LOANS TO COUNTRY

Johannesburg BUSINESS DAY in English 7 Mar 86 pp 1, 2

[Article by John Battersby]

[Text] Britain's largest bank, Barclay's, has decided to make no new loans to SA nor to be party to any formal rescheduling of its \$1,2bn existing loans.

A condition for new lending is that Pretoria shows it can cut its foreign debt and confirm the scrapping of apartheid.

The move was announced by Barclay's chairman Sir Timothy Bevan at a routine meeting to announce Barclay's annual results.

Barclays owns slightly less than 50% of SA's largest commercial bank, Barclays National Bank.

The announcement came on the eve of a secret meeting of multi-nationals and South African businessmen at the Leeds Castle in Kent.

Organized by the Reverend Leon Sullivan, author of the Sullivan Principles, and chaired by former British Prime Minister Ted Heath, the meeting will review its anti-apartheid strategy in the light of recent developments in South Africa.

Barclays national GM in South Africa Jimmy McKenzie, said last night he had no immediate comment to make.

Sir Timothy's statement reinforces views expressed by some locally-based foreign bankers that optimism on the debt crisis following the broad agreement to Swiss mediator Fritz Leutwiler's terms last month might be premature, writes JOHN TILSTON.

The hope in official circles that the way has been paved for a gradual return to international money and capital markets has been dashed by the Barclays move.

A banking analyst told Reuters last night he did not believe the move would have much impact as Barclays (SA) was self-financing.

Further details, such as whether the freeze included trade credit, were needed before the fuller implications could be assessed, he said.

Although Sir Timothy did not specify what internal political changes would satisfy Barclays he cited the release of the jailed ANC leader Nelson Mandela as a "helpful" first step.

He said Barclays wanted "to see an end to the bankrupt policy of institutionalised racial discrimination".

Barclays' new tough line caused an immediate flurry in banking and financial circles indicating a radical departure from the normal reticence of British banks to link loans to political demands.

In a brief reference to South Africa during the chairman's statement Sir Timothy spelled out the new tough line in unusually blunt language.

"Our policy on future lending to South Africa is quite simple.

"We shall commit no new money to that country nor shall we be party to any financial debt rescheduling until South Africa has demonstrated its ability to reduce its indebtedness and meet its obligations and until there are changes which confirm an end to the bankrupt policy of institutionalized racial discrimination," he said.

He said that the standstill on the \$14bn short-term loan imposed by Pretoria last September had made its chances of attracting fresh funds from abroad "almost non-existent".

Significantly, Sir Timothy noted that deprived of access to new loans South Africa would find it increasingly difficult to stimulate economic growth to provide employment for its ever-growing black population.

He said Barclays' lending to South Africa totalled just under \$1,2bn.

Barclays represents 25% of the banking system in South Africa and employs 40% of all blacks engaged in the banking sector.

Barclays, for years the priority target of London-based anti-apartheid groups, began to shed its collaborationist image in November last year.

In a speech which marked the first departure from the banks low-key and apolitical approach Sir Timothy launched a broadside attack on apartheid describing it as "repugnant, wrong, unChristian and unworkable".

He attached the pace of progress towards dismantling apartheid as "woefully slow".

His speech followed a much-publicised decision by the aid agency Oxfam to withdraw its account from Barclays because of its involvement in South Africa.

Last year Barclays reduced its controlling interest in Barclays National Bank (SA) to a 40% holding and declined to take up a rights issue.

Its public refusal to commit new money to South Africa or even reschedule existing debts will give added impetus to the political pressure being exerted by South Africa's foreign creditors.

In terms of an awkward consensus between SA's 30 main creditors at a meeting in London last month chaired by Swiss mediator Dr Fritz Leutwiler, West European and US banks agreed to accept a 5% downpayment of short-term debt in return for a lifting of the standstill by Pretoria.

But the banks maintained their political pressure by stopping short of a rescheduling agreement and insisting on a review of the political situation in 12 months time.

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## TOP COMPANIES CONTROLLING STOCK EXCHANGE REPORTED

Johannesburg THE WEEKLY MAIL in English 7-13 Mar 86 pp 14, 15

[Article by Pat Sidley]

[Text] IMAGINE four players around a Rand Club Bridge table and 1 300 other members of the club with a stake in the winnings.

Outside the door are 25-million people, barred from the club.

That describes how the Johannesburg Stock Exchange is controlled.

The four players are the four big companies that control 80 percent of the JSE. The 1 300-odd other members are the shareholders who own 82,6 percent of the market capitalisation of the Stock Exchange.

The 25-million outside the door are the other South Africans who own only R26-billion of the JSE's total capitalisation of R151-billion.

These extraordinary facts have been unearthed by Robin McGregor — editor, publisher, monopolies researcher, sometime mayor of the town of McGregor and would-be restaurateur — in the course of research for his new Investor's Handbook incorporating his annual publication, Who Owns Whom.

The book, the latest edition of which was published this week, gives details of who owns the wealth of the country through the Johannesburg Stock Exchange.

Even more extraordinary is the fact that it is the 25-million outside the door who pay most of the country's tax.

The majority of the tax in the country comes from individuals. McGregor quotes a study which shows that the mines contribute 14,23 percent of the tax paid in South Africa; other companies paid 29,24 percent and individuals paid 56,63 percent.

The four large companies who control the JSE are Anglo American, SA Mutual, Sanlam and Rembrandt.

Anglo controls 54,2 percent of the stock exchange, while Sanlam and Old Mutual control 24 percent between them.

The JSE itself represents 26 percent of the country's wealth.

"The distribution of wealth in the country," says McGregor, "is zero. There is no distribution of the wealth of the country at all."

The 1 336 shareholders who own more than 82,6 percent of the wealth of the JSE earn R5-billion in dividends annually — and there is only another R1-billion to share among the rest of the country.

McGregor's figures, many of which were compiled by Professor Jan Lombard of Pretoria University, exclude the so-called independent states.

"The people who are pocketing the money are not putting it back into increasing the wealth of the country. They're investing in their own ends," says McGregor.

Where the companies are able to, they are moving their wealth off-shore, says McGregor, but he notes that this is very difficult with present exchange control restrictions.

"The wealth is not being used to create employment and could even be creating unemployment," he says.

The great concentration of ownership and wealth pushes up inflation both through the creation of cartels and the bureaucratic inefficiency that he believes to be inevitable in such huge monopolies.

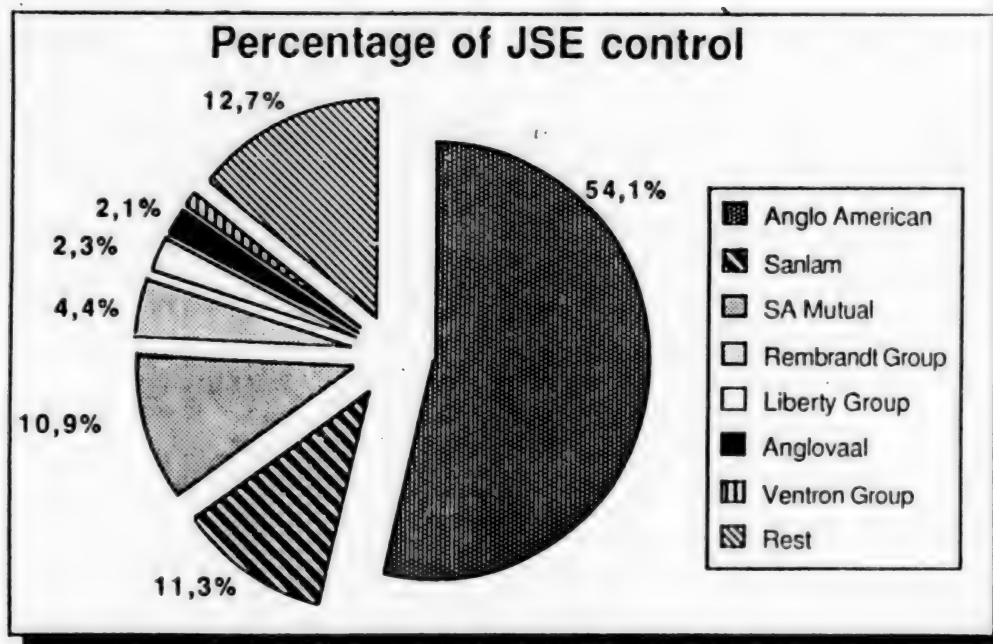
Says McGregor: "The enormous influence by a small number of the private sector on the public sector leads to all manners of abuse."

"Who, after all, benefits mainly from the inflation and the low rand? Only the exporters. And the exporters in this country are almost entirely the mines. So what's going on? Who is kidding whom? Who is controlling whom?"

"We're living in a country ... controlled by cartels and lobbyists and a government only too keen to satisfy the lobbyists at the expense of 25-million people."

McGregor believes the growth of monopolies





**The big companies and their slice of the JSE pie**

could be challenged overnight with changes to the law.

Some companies are controlled by as little as a 20 percent stake in the company. Anglo American's control of companies is through investments of between 30 to 50 percent of the companies.

If companies were forced by law to make an offer to buy minority shareholders out at an early stage of a "raid" on a company, it would cost a great deal more to buy control and discourage the monopolists.

"If Anglo had had to make an offer to the minority shareholders, it would have had to sell half its investments to pay for the rest."

In England he says, if a company wants to take control of another on the stock exchange, it cannot buy more than 29.9 percent of the shares without offering to buy out the minority shareholders. In Australia, the ceiling is even lower, at 19.9 percent.

Why then do "monopoly-watchers" in the United Kingdom — and the United States with its anti-trust laws — complain about the growth of monopolies there?

In other countries, taking the UK as an example, answers McGregor, the spread of shareholders is infinitely wider than in South Africa. Millions of people own shares in the UK.

"Every little old lady has a portfolio of shares there — not here. The vast majority of the shares are owned by the 1 336 shareholders."

In South Africa, a representative of the listings department of the JSE told *Weekly Mail*, there is no law on when a company has to make an offer to

the minority shareholders — but there is a rule of the stock exchange which requires a company to make a bid for the minorities "when the control of the company is changing".

Asked how this is gauged, the representative said: "They know when a company is changing hands. We don't use percentages as a basis here."

This evidently is not always as simple to gauge as the JSE thinks, as is evidenced in its recent dispute with Natie Kirsh about whether one of his companies had changed control. Kirsh (who is listed in McGregor's book as having seven directorships of JSE companies) said the company had not changed control and would not make an offer to the minority shareholders.

The JSE said control had changed and insisted an offer be made. In the end, the matter was dropped, no offer was made and the JSE still maintains it "knows when a company changes hands".

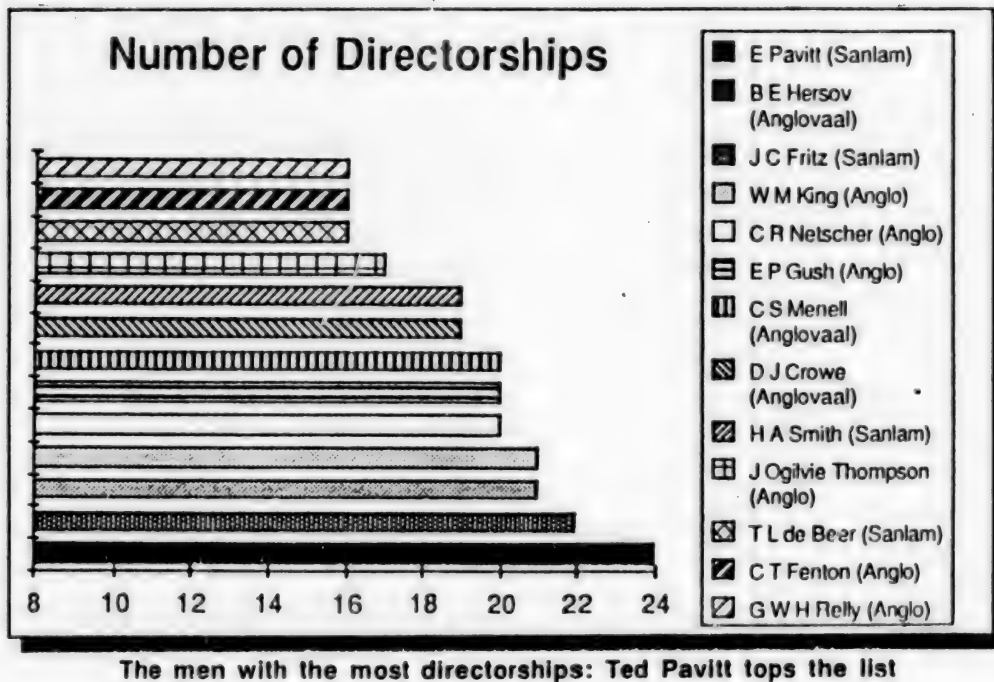
McGregor is "a free enterprise person" as he puts it. He doesn't believe in a centrally controlled economy.

"The only regulation I would support is one which prevented centralised control."

And if the vast monopolies, like the mines, were to be nationalised this would make him "incredibly unhappy".

But he adds: "The only good thing nationalisation would do would be to redistribute the wealth." He fears however for all the bureaucratic inefficiencies it would promote and the resulting inflationary costs.

If McGregor's facts about monopolies are not enough of a cause of concern to the populace, then the tax they pay (or do not pay) is likely to be. He



has calculated that only 8,6 percent of all the companies listed on the JSE paid tax of 50 percent during the period under review. The tax rate for companies in South Africa is 50 percent.

This he contrasts with his research which shows that 81 percent of the companies made a profit, and 50 percent of them paid less than 30 percent in

tax. They are using legal loopholes which enable them, quite lawfully, to pay so little.

This is one reason why individuals carry such a large burden of the country's tax — paying 56,63 percent of the total tax bill, as opposed to the 14,23 percent paid by mines and 29,24 percent paid by other companies.

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## EXPERTS SAY NATION'S GROWTH STILL FACES OBSTACLES

Johannesburg BUSINESS DAY in English 7 Mar 86 p 7

[Article by Alan Sendzul]

[Text] THE impediments to long-term growth in the SA economy refuse to go away.

Between 1978 and 1985, SA's growth was sparse and erratic, averaging a meagre 2.1%. This year, government is predicting a 3% rise in gross domestic product — a figure experts agree could well be reached.

But the constraints on growth will continue to keep a lid on prospects.

Sankorp economist Peet Strydom says: "SA is still in the throes of a long-term capital drought. Now, with the standstill on foreign debt declared, it is in a most unenviable position: no new capital inflow and an additional load of repaying its creditors."

To unlock growth potential and lay the groundwork for a durable expansion extending beyond 1987, he suggests government would need to cut the public sector wage bill, now running at 66% of government expenditure.

It would also have to announce some form of tax relief in the forthcoming Budget to rekindle entrepreneurial spirit. Most analysts would like to see personal tax cut. They feel personal taxes have been far too high, relative to effective company tax rates, for far too long.

Strydom isolates a low real rate of return on investment capital as the reason foreign technology and investment have dried up, particularly since 1981. With the latest inflation rate of 20.7%, interest rates would have to be sky high for any meaningful kind of real return.

"If you take SA's fragile political setup and its pariah image abroad,

then it is hardly surprising that an investor who can place his money around the globe is not interested in SA's inferior return on capital."

Domestic savings need revitalising too. After taking a pummelling from falling discretionary income, little remains of take-home pay to save or invest. Punitive taxation on interest from savings also has dampened enthusiasm to save.

At about the time that domestic savings began to plunge, SA started to increase its dependence on foreign savings to fuel local development.

Superficially, the savings/discretionary income ratio might look appealing. But it is way below healthier 1977 levels. The slight improvement shown in 1985 is cyclical — a spin-off of depressed demand for consumer durables like white goods.

"It points to this. The 1980s will stand out as the decade of explosive growth in short-term debt; this coming after two previous decades of near static growth in short-term debt as a percentage of long-term debt," says Strydom.

Early in 1980, government took the view that SA's lack of long-term capital could be remedied by going for growth through short-term offshore loans. All this did was to make lenders here very vulnerable by bunching up maturities of their loans into a narrow range.

Foreign debt mismanagement, which has blunted the country's future growth prospects, is the result of attempting to replace long-term growth capital. The debt freeze *per se* is not the culprit.

But if the economy should begin to

quicken, major problems could arise. Imports make up about 23% of the total output (gdp) and could be expected to increase. Inflation is at a record level and could go higher at the mere whiff of an increase in spending. The balance of payments must remain in surplus for the foreseeable future.

Economists are hoping that government will not disappoint with a hollow expansionary Budget package.

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CSO: 3400/1382

MIXED REACTIONS TO MINISTER OF FINANCE BUDGET ANNOUNCEMENT

Concessions Noted

Johannesburg THE STAR in English 18 Mar 86 p 17

[Article by David Braun]

[Text]

**PARLIAMENT** — A five percent cut in income tax, a new deal for working wives, new incentives to save — and no increases in GST or company tax — were the main features in the "moderate growth" Budget announced by the Minister of Finance, Mr Barend du Plessis, yesterday.

About the only bad news for the man in the street in the record R37,5 billion Budget is the reduction of the bread subsidy from R200 million to R150 million which will probably increase the price of a loaf by 6c.

The five percent "discount" on personal income tax is in addition to the abolition of the seven percent surcharge which applied in the past tax year. The discount is calculated on each taxpayer's net tax after deduction of rebates and will be allowed to all married and unmarried people.

Mr du Plessis said the non-taxable portion of a married woman's earnings would be increased to R1 800 or 20 percent of her net earnings, whichever was the greater.

This concession is to apply with effect from the tax year just ended and will have an effect on the tax returns now being assessed.

The exemption of R250 in respect of interest and building society dividends is increased to R500 from the year of assessment ending February 28 1987.

The import surcharge on books has been abolished and that on fully-assembled cars reduced from 125 percent to 100 percent.

Estate duty rates are to be adjusted considerably so that the maximum of 35 percent is reached only after the dutiable amount of the estate exceeds R800 000, instead of R400 000.

Mr du Plessis said it was a Budget which addressed itself primarily to the people of South Africa and their needs — giving relief over a wide spectrum where the need was greatest.

He said that, for those who would not be sharing in the tax concessions, provision was made on the expenditure side.

"Generous provision is made for the upgrading of living conditions, particularly those of people in the less-developed areas and communities."

A total of R631 million has been provided for black housing, R6,082 billion for education of all population groups (with the increase for blacks close to 28 percent).

From next year, high-income

provisional taxpayers will have to pay the Receiver of Revenue in three instalments instead of two during any one tax year.

In future, companies will have to pay 100 percent of their provisional tax by due dates, instead of the current 90 percent.

Surcharges of 25 percent on gold and diamond mining income, and 15 percent on other mining income, are to be reimposed.

Stamp duty on debit entries in banking and credit card accounts is to be raised from 5c to 10c an entry from July 1.

Stamp duty on marketable securities (10c for every R10 of the consideration) levied in re-

spect of the registration of transfer of any marketable security is to be raised to 15c for every R10 from April 1.

The one percent marketable securities tax, levied in respect of every purchase of marketable securities by a stockbroker on behalf of any person, is to be raised to 1,5 percent.

The moderate tax relief proposed by Mr du Plessis is worth R1,144 billion and raises this year's expected deficit before borrowing to just under R4 billion.

Mr du Plessis proposes to finance this by rolling over Government stock, selling new Government bonds, and issuing new Government stock.

### Main Features

Johannesburg THE STAR in English 18 Mar 86 p 17

[Text]

The main features of yesterday's Budget were:

- A five percent discount on income tax from March 1.
- Adjustments in the tax on married couples.
- Lifting of the seven percent surcharge on personal tax and the tax discount which will cost more than R1-billion a year.
- The tax-free interest limit on savings raised from R250 to R500 a year.
- Pensions to increase.
- Special task group to cut

down Government expenditure and special priority given to massive upliftment programme.

- Ten percent surcharge on imported books to be lifted.
- Bread price likely to increase following R50-million cut in subsidy.
- Customs duty on fully assembled imported cars down from 125 percent to 100 percent.
- Stamp duties on the transfer of marketable securities to go up.

### 'Provisions Welcome, Not Enough'

Johannesburg THE STAR in English 18 Mar 86 p 17

[Text]

The President of the Public Servants' Association, Dr Colin Cameron, has welcomed the Budget provision of R227 million for the public sector's job-differentiation programme.

Dr Cameron also described as satisfactory the 10 percent salary increase announced for public servants.

The R227 million would be used by the State to boost salaries in special categories where public servants' salaries had fallen far behind the private sector pay levels, he said.

"These funds will help us make moderate progress towards this programme and is welcomed most sincerely," he said.

"The pay increase will provide some relief for public servants, but it will not compen-



sate for the backlog that has developed in the past two years," said Dr Cameron.

### SERVICE BONUSES

Finance Minister Mr Barend du Plessis said the 10 percent increase in public servants' salaries announced recently would reduce to an extent the backlog created by cuts in service bonuses last year and the 27-month lag in salary increases.

Educationists, the presidents of several teachers' organisations and the Progressive Federal Party have welcomed the 19.3 percent in the education budget — with reservations.

Most educationists who spoke to *The Star* questioned how this money would be used and stressed that greater attempts should be made to bridge the gap between white, coloured, Indian and black education.

Education was allocated R6,082 billion — the largest amount allocated to any portfolio and a 19.3 percent increase on last year's budget. Black education expenditure increased by 27.8 percent over the 1985/86 budget.

### INFLATION RATE

The president of the African Teachers' Association of South Africa, Mr Randall Petini, said the increase in black education spending looked impressive, but that the gap between funds allocated to the different racial groups needed to be bridged urgently.

The Progressive Federal Party spokesman on education, Mr Peter Nixon, said he was pleased that the increase was above the inflation rate.

He added that money should be divided equally between pupils of different racial groups.

The president of the Teachers' Association of South Africa, Mr Pat Samuels, said the Minister had made a wise decision in increasing expenditure in black education.

But, more money would not solve the problems in black education, he stressed.

There was mixed reaction

among women's organisations about tax concessions for married women.

The Minister announced that the non-taxable portion of married women's earnings was to be increased to either R1 800 or 20 percent of her net earnings, whichever was the greater.

This would apply with effect from the tax year just ended, which meant it could have an effect on tax returns now being assessed.

The PAYE tables applicable to women were also to be amended from July 1, 1986 so that monthly payments would be increased and the amounts payable at the end of the tax year decreased.

Mrs Roberta Johnston, of the Women's Legal Status Committee, said it appeared the position of married couples would be much improved, particularly for earners in the upper-income bracket who were worst-affected by joint taxation.

"But I still believe the taxation rate is too high and I will always say we should not have joint taxation — the person who earns the money should be taxed and receive refunds. With joint taxation at present, it is the husbands who receive repayments," said Mrs Johnstone.

### 'A JOKE'

Mrs Margaret Lessing, director of the Women's Bureau of South Africa, said all married women would appreciate the concessions to married couples, in addition to the reduction in personal income tax, pending the recommendations of the Margo Commission.

However, Mrs Elsa Schreiner, national president of the National Council of Women of South Africa, was bitterly disappointed by the absence of any real attempt at introducing separate taxation.

She said that 20 percent non-taxable income concession would be a joke to most women.

While welcoming increases in social spending in the areas of housing and education, Black Sash national president Mrs Mary Burton said her organisa-

tion felt "considerable anxiety about the poorer section of the community".

The fact that GST had been left at 12 percent was to be welcomed, but this had to be weighed against the cutting of the bread subsidy.

Military experts said the "modest" defence budget was an indication that the South African Defence Force was not planning any major expansion in its activities during the coming year.

It also reflected an optimism that Armscor was expecting to do good business.

The Government's present job-creation and training schemes would not solve the massive problem of unemployment, major trade union groupings said yesterday.

Reacting to the Government's allocation of R235 million to the projects, the unions said only the restructuring and stimulation of the economy would solve the problem.

In a joint statement, the Council of Unions of South Africa and the Azanian Confederation of Trade Unions said the job-creation and training schemes would only benefit a small percentage of the unemployed.

The Trade Unions Council of South Africa (Tucsa) welcomed further allocations to training and job creation, but said it believed that "the massive problem of unemployment can only be solved by measures which will bring about an upturn in the economy and dynamic growth".

#### Commentary on Defense Allocation

Johannesburg THE STAR in English 18 Mar 86 p 17

[Article by Hannes de Wet]

[Text]

The "modest" defence allocation announced yesterday could indicate that the South African Defence Force would have fewer commitments in the coming financial year.

It could also reflect optimism that Armscor was anticipating a good year in armament sales to other countries, say military experts who spoke to *The Star* last night.

Finance Minister Mr Barend du Plessis reiterated in the Budget speech the need for South Africa to be fully prepared to contain the forces threatening the country.

He allocated R5,123 billion to defence. This represents 13,7 percent of the total estimated expenditure for the 1986/87 year — a ratio that was virtually the same for the previous financial year.

Mr du Plessis said a surplus of R323 million on local borrowing was to be transferred to the Special Defence Account.

Professor Deon Fourie, Professor in Strategic Studies at the University of South Africa, said the allocation to defence was about half-a-billion rand more than last year, which appeared to be a "minor" increase.

"Defence took the highest percentage of State expenditure in 1981, when the ratio was nearly 23 percent. Since then it has fluctuated between 14 and 17 percent. In view of that, 13,2 percent is a considerable drop."

Professor Mike Hough, head of the Institute for Strategic Studies at the University of Pretoria, said it could also be concluded from the projected allocation that the SADF was not planning any large-scale expansion in its activities.

#### FAIR INDICATION

Professor Fourie agreed that the Budget could indicate the SADF would have fewer commitments in the coming year. "But it remains to be seen whether the SADF will be able to live or function within the projected budget."

Professor Hough also pointed out that precise comparisons and conclusions were difficult without taking the Special Defence Account and the Additional Budget later this year into account. "But the figures in the main Budget usually give a fair indication of what defence spending is going to be."

Professor Fourie said the projected budget could reflect optimism about the sales of arms as a source of income.

In comparison to other countries, South Africa was spending a moderate amount on defence. Israel spent \$3,621 billion (about R7,242 billion) on defence in 1985/86 to South Africa's \$2,147 billion (R4,294 billion) in the same year.

East Germany, with a population of 17 million people, had a defence account of \$7,856 billion (R15,712 billion) last year. Switzerland, with a population of six million, spent \$1,957 billion (R3,914 billion).

Professor Hough said some people had expected that the role of the SADF in the unrest would have meant an increase in defence spending. This had not happened because the SADF was using existing resources in assisting the police.

### Buthlezi Welcomes Budget

Johannesburg THE STAR in English 18 Mar 86 p 17

[Text] ULUNDI — "The sentiments" in which the Minister of Finance drew up the Budget were welcomed today by kwazulu Chief Minister Mangosuthu Buthelezi.

Chief Buthelezi said: "If ever South Africa needed a Budget designed for the people, it is now. I only hope the Minister will meet his target and that history will show, this time

next year, that this Budget was indeed one that met the needs of all South Africans.

"I welcome the additional spending on black education, black housing, the infrastructural needs of the under-developed rural areas and small towns, and on social pensions."

He was also pleased that the Minister had chosen to stimulate the economy. — Sapa.

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CSO: 3400/1333

# CHARTS TRACE DECLINING LIVING STANDARD IF INFLATION CONTINUES

Johannesburg THE STAR in English 19 Mar 86 p 13

[Article by Michael Chester]

[Text] You were shaken rigid when young Peter started high school a couple of months ago and you discovered that the bill for decking him out in a single uniform came to R147,85 — blazer, trousers, socks, shoes jersey, shirt and tie.

Brace yourself for bigger jolts when the time comes round 10 years from now when little Paul — now out in the garden making mud pies to throw into the swimming pool — reaches high school age.

If inflation stays wedged at the current annual 20 percent level, the identical uniform will carry a price tag of more than R1 000.

Of course, economists snort at such nonsense. Inflation, they insist, cannot possibly sustain such tempo. Hmmm ...

It is a depressing but none the less hard fact that most of them have expounded similar theories ever since the cost of living first broke the double-digit barrier more than a decade ago.

By all means, let's be optimistic and assume that South Africa will find the solutions, as most of the advanced Western industrial nations have managed to do in the past year or two.

But if only as an academic exercise, let's consider what lurks ahead if forecasts about a slowdown prove fruitless, and indeed inflation *does* hold at 20 percent a year.

Twenty years from now, young Peter may think about marriage and branching out to sweep his bride into a home of their own.

Today, the sort of modest suburban house you may visualise costs about R98 000. When young Peter talks to the estate agent the price will be a staggering R3 757 000.

Naturally the young couple will want their own car in the drive. Nothing extravagant, you understand. Small and on the inexpensive side. The sort of car that at the moment costs about R14 000.

Except that 20 years on, if inflation sticks at 20 percent, the price label will be more like R536 724.

And a TV set will be needed as well, of course, though heaven alone knows what kind of gadgetry will have made the present generation of telly no more than a quaint museum piece. Today the usual colour TV that dominates the sitting-room costs R1 200. Peter and his wife will be looking at R46 000.

In case you decide it is a fantasy too distant — or improbable — to prick the ulcers that inflation has already caused, consider the prospects in the interim.

The kilogram of porterhouse steak that goes on the table for the family's Sunday lunch costs R9,89, give or take a few cents.

Five years from now it will cost R24,60. In ten years time, R61,23. (Peter and his wife will pay R379,15).

Pessimists thrown into a fit of depression may decide to think about possible alternatives to facing the calamity.

If you buy a .38 Special now it will cost about R799. A small box of ammo will be R29,99.

Don't delay buying until Peter and his bride call around, cap in hand. By then, the gun will cost R30 631.

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CSO: 3400/1382

COLUMNIST REPORTS ON IMPLICATIONS OF REMOVAL OF SUBSIDIES

Johannesburg THE WEEKLY MAIL in English 21-27 Mar 86 p 12

[Article by Pat Sidley]

[Text] MORE widespread hunger, malnutrition and starvation will follow the government's cut-back of R170-million in subsidies on basic foods.

The government has announced it will remove R50-million from the bread subsidy and, it appears, wipe out R130-million from the maize subsidy.

Exaggerating the problem, the government has claimed it cannot find enough needy families to qualify for its food aid programmes and has taken back into the ailing treasury more than R6-million which had been earmarked for the country's destitute.

These moves can only lead to more widespread hunger and starvation among the poor.

Conservative estimates of two years ago claimed that about three million people were malnourished. But since then the cost of living has increased phenomenally and unemployment has risen drastically.

World Vision director David Cuthbert says he believes about six million people are in need of basic assistance for food, clothes and shelter. Other studies show that between 21 percent and 30 percent of the country's potential black workforce is under-employed or unemployed.

The subsidies on bread and maize directly help poorer consumers to buy basic foods and there is a direct correlation between the size of the subsidy on bread and its consumption.

Both bread and maize prices are expected to increase soon. The Maize Board is currently discussing price increases and a bread price increase is said to be imminent.

The vast majority of South Africa's needy eat maize as a staple diet. Bread is generally eaten a rung up the economic ladder.

In periods of high unemployment, more poverty and high inflation, the poor tend to eat less of everything so that those who ate bread, switch to maize. Those eating maize, simply eat less.

The R50-million decrease in the bread subsidy (which was R200-million) is likely to add at least 6c to each loaf of brown bread. The controlled price of a brown loaf is 50c. That of a white loaf is 70c. About 13c of the price of the brown loaf is the subsidy.

In 1974/75 the R35-million subsidy on bread was split almost evenly between white and brown loaves. In those days 738-million white loaves and 378-million brown loaves were sold. A white loaf cost 20c, brown 16c.

Around 1978 the government decided to switch its focus from white bread to brown and provided R40,3-million for brown bread and R5,4-million for white. That year 900-million loaves of brown bread were sold and 379-million loaves of white were sold. The subsidy that year kept the price of brown bread down to 16c a loaf and white bread rose to 25c.



In 1982/85 the R200-million subsidy was paid almost entirely on brown bread and sales shifted. Of the 1,6-billion loaves of bread sold, about 75 percent were brown and 25 percent were white. The price of the brown loaf was 35c and a white loaf was 53c. (This included GST which has since been dropped on fresh foods.)

At the moment, the Wheat Board says, about 1,740-billion loaves are eaten annually. About 75 percent of them are brown and the subsidy of about 13c a loaf is entirely on brown bread.

These figures show dramatically that when the size of the subsidy keeps prices down, eating patterns change radically in line with it. And they also show that in spite of the population increase, bread consumption has hardly changed.

Additionally, the size of the loaf has decreased from 900gms to 850gms and this has failed to increase sales of bread.

This should indicate that more maize is being consumed. However, data compiled by consumer expert Vita Palestrant for Checkers' submission to the Davin Commission on the bread subsidy, illustrates that maize consumption has dropped as well.

"It is reasonable to assume that consumers switching from brown bread to maize were taking the place of those maize consumers who were being forced, of necessity, to eat far less," says Palestrant.

The Davin Commission looked at whether subsidies benefited

underprivileged consumers. It argued that it benefited middle and upper-income groups.

Checkers' submission to the commission argued forcefully that the subsidy was correctly targeted. Justifying this, it said blacks consumed about 72 percent of all bread in South Africa, with coloureds and Indians taking another 12 percent.

The maize picture has been gloomier than the bread one. For a decade until 1984/85 its annual average growth rate was 0,6 percent. During that period the bread price rose by 246 percent against the white maize price, which increased by 378 percent. The consumer price index for that period rose by 237 percent and the food index by 256 percent.

At the moment producers fetch R218 a ton for maize and sell it for R265 a ton. About R16 a ton is subsidised for handling and storage.

About three million tons of maize in the form of mealie-meal is consumed annually.

The Checkers submission to the Davin Commission ended on a note of warning that the cutbacks in subsidies were occurring against a backdrop of widespread unrest and deep recession.

It noted that between October 1984 and May 1985 a decline in bread consumption took place in several areas hit by unrest — before the introduction of consumer boycotts.

"We wonder whether hunger itself acted as part of the trigger mechanism setting off the disturbances," the submission says.

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## ECONOMISTS PREDICT LONG-TERM DOWNWARD TREND IN INFLATION

Johannesburg THE CITIZEN in English 22 Mar 86 p 5

[Article by Daan De Kock]

[Text]

SOUTH Africa has come to a watershed now as far as fighting inflation is concerned and the possibility that the inflation rate will enter a long-term downward trend becomes a real possibility.

This opinion is shared by most of South Africa's leading economists, although they point out that there are still many pitfalls ahead.

The inflation rate dropped by 2,6 percent at the end of February this year to 18,1 percent on a year-on-year basis, according to figures released in Pretoria.

The substantial decrease is mainly technical and a small hiccup in the rate at the end of March is not excluded.

The general feeling, however, is that the inflation rate could drop between 17 and 18 percent at the end of the year.

Adam Jacobs, economist at Volkskas and Rudolph Gouws, chief econ-

omist at Rand Merchant Bank share these views. Both economists have in the past been relatively accurate in forecasting movement in the inflation rate.

They say the introduction of monetary targeting, announced by the Reserve Bank earlier this week, is the first step in the right direction to try and kill this evil for good. That it is not going to be easy, is obvious, because of our present economic situation and the various uncontrollable factors that could influence the rate.

Adam Jacobs forecasts an average inflation rate for 1986 of between 17 percent and 18 percent, while Rudolph Gouws thinks it could be between 16 and 17 percent.

Rudolph is of the opinion that the inflation rate could easily drop to between 15 and 16 percent early next year unless nothing unforeseen happens.

The inflation rate on a year-on-year basis for the

end of February compares with an inflation rate of 20,7 percent for January — the highest level it ever reached in post-war history.

The substantial decrease in the inflation rate is mainly because of a technical nature since the calculation of the annual rate of increase in the consumer price index (CPI) for February 1986 is based on a relatively higher basis than was the case for the calculation of the annual rate of increase in January 1986, according to the release from the Central Statistics Office.

"A similar phenomenon can be expected in respect of April 1986 as a result of the increase in sales tax from 10 percent to 12 percent which was taken into account in the calculation of the April 1985 consumer price index.

One of the most crucial factors determining the future level of the inflation rate still remains the value of the rand and our dependency on imported oil.

Since the beginning of this week the rand started to drop again, which obviously will lead to higher oil prices should it continue with its downward trend.

The general feeling is that an average of 50 US cents is a "fair" level for the rand in which case we could still benefit as far as inflation is concerned.

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## COLUMNIST DISCUSSES EFFECTS OF SANCTIONS

Johannesburg BUSINESS DAY in English 6 Mar 86 p 4

[Commentary by Ken Owen]

[Text] AFTER listening to President Botha's Rubicon speech on August 15, John Gutfreund, chief executive of the Wall Street commodity trading firm of Phibro-Salomon, ordered the closure of its Johannesburg branch.

Within days, the local branch — already staffed by South Africans — was back in business on its own account, just pipping a hungry Marc Rich, the Geneva-based commodities trader who enjoys an international reputation as a sanctions buster and who was avid to pick up the trade.

As a result Phillips Bros, the commodities trading arm of Phibro-Salomon, is out of ferro-alloys — ferro-chrome and ferro-manganese, of which SA is the dominant producer — and is hurting. SA, if anything, is a bit better off.

This story, which I have taken mainly from accounts published overseas, is so exact a repetition of similar events in then Rhodesia that it fills one with nostalgia. It also makes the point that disinvestment, as often as not, simply transfers ownership of domestic businesses to SA owners.

### Rock-bottom

After Sharpville, Afrikaners bought into business at rock-bottom prices. As a result, the statistics show, their share of manufacturing and construction rose from 6% in 1955 to 15% in 1975, their share of finance from 10% to 25%, and of mining from 1% to 18% (and soon afterwards to 30%). As for capital, it is utterly amoral; it flees when it gets nervous, and comes creeping back through the cracks when it perceives a safe profit.

A healthy cynicism about foreign capital is deeply rooted in the SA psyche. When Fred Du Plessis, chairman of Sanlam, says that we can, if we must, manage without foreign investment, he is merely repeating what Jan van Eck said a generation earlier. Vital or lucrative trade tends to find a way.

Nor does the promise of renewed investment in return for good behaviour carry much weight. One of the most illuminating passages of the Slabbert tapes is President Botha's complaint: "We plead with the West: do something about Mozambique, but it never gets beyond talk. It's all talk. The same applies to Zambia."

Botha is bluntly cynical about the demands of the West for democratic advances in SA. "On the one hand," he says, "they want stability. On the other hand, they want concessions, but they don't want an Africa-situation."

"Zambia is supposed to be the world's 'elder statesman'," Botha says. "Now when will they invest in Zambia for a change, so that they can prove to us that they mean what they say? Look, if they will just prove that to me, just take a step in those two countries, then I shall believe them."

Western governments don't like to be indelicate, but Western businessmen are sometimes refreshingly frank. Alan Born, chairman of Amax, says he believes in the

future of gold; he just wishes he could find it outside Africa. He believes in the future of platinum, but intends to mine it in Australia. "I don't want to invest in Africa," he says. "My problem is to find deposits outside ..."

One victim of Born's policy will be the country generally classed by Americans as "Africa's only democracy". Amax owns almost a third of Botswana's nickel-copper mine at Selibe-Pikwe, and has been losing money on it. Born wants to get out. He doesn't care, if indeed he knows, that Botswana is "Africa's only democracy".

One reason why Botswana is a democracy may well be the enormous investment in the country after independence by Western and international aid programmes. The Western powers were determined to prove (as one cynical diplomat in Gaberone put it to me soon after independence) that "our Bantustan is better than your Bantustans".

As a result, if I remember correctly, Botswana was at one stage receiving almost as much foreign aid as it was earning for itself from all other sources, including the mine which has so disappointed Amax.

It worked. Per capita incomes soared. The country remained stable and relatively content. Democracy survived. The transition of power was orderly. Now the aid is drying up, and the only likely source of foreign investment is SA. The Borns of the world don't want to invest in democracy, they want to invest in profitable enterprises. And why not? It's their money.

It is foolish to be sentimental about it. In the late Sixties, President Johnson (as nobody seems to recall) banned capital exports to SA. A few years later, after watching the Europeans and the Japanese

pick up the available investment opportunities, Americans were clamouring to get in. The ban on investment was quietly dropped, apartheid or no apartheid.

The latest flight of capital, precipitated by Chase Manhattan, has put on this country's back a debt burden that will hamper our growth until well into the next decade.

It will raise unemployment, and contribute to political turbulence (not to speak of Third World poverty), but it will neither cripple the country nor overcome President Botha's doubts about Western intentions.

## Isolation

What it will do is put the price of books beyond the reach of many poor people, deprive universities of essential magazine subscriptions, raise the cost of medicines, transfer ownership of productive assets to white South Africans, reduce the foreign travel that is supposed to broaden minds, increase isolation and rob us of the dubious pleasure of watching "Falcon Crest".

In Rhodesia, the most charming, if apocryphal, story about sanctions concerned a deal which exchanged tobacco for French textiles that soon flooded every shop in the country. At every party, it was said, women ran the risk of meeting others dressed in identical patterns — and sometimes they all matched the curtains.

Towards the end of the Second World War I went into a bookshop where, beyond small piles of local newspapers, a few magazines and a single display case of rubbishy local books, there stretched row upon row of empty shelves. The shop had run out of stock to sell.

Sanctions, in the end, don't make a country virtuous. They just make it dull.

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## BRIEFS

CITY-DWELLERS ON PRIVATIZATION--Most white urban South Africans support the privatisation of state-owned corporations like Escom and Iscor. A recent poll conducted by Markinor among 1 000 white urban adults shows as many as 61% believe the State should offer shares in its corporations to the public, while 34% oppose the idea. Among civil servants, 58% support privatisation, while 41% are against it. [Text] [Johannesburg BUSINESS DAY in English 7 Mar 86 p 2] /13104

FUNDS FOR FUEL PROJECTS--If all the synthetic fuel projects now on the drawing boards were given the go-ahead, Central Energy Fund financing would peak at R6,13bn by 1991. Mineral and Energy Affairs Minister Danie Steyn said this in the House of Assembly yesterday. In a written reply to a question from Brian Goodall (PFP Edenvale), Steyn said the primary role of the CEF was to benefit the SA motorist, and financing the establishment of synthetic fuel plants was seen as being in their best interest. Steyn said the CEF's primary source of income was the 4c/l levy on fuel, and this provided R216,8m between April 1 1985 and January 31 this year. The other main sources of income were from the capital repayments from Sasol 2 and 3. Since the privatisation of Sasol 2, the CEF had received an initial partial capital repayment of R887,6m. Of this amount, R453,8m, including-profit on capital and interest, was paid back to the State Income Fund to cover Parliamentary grants to Sasol 2 and 3. Shares in Sasol 3 were purchased for R180,8m. A further R300m had since been paid, and the outstanding commitment of Sasol 2 to the State was now R1,09bn plus interest, while the projected value of Sasol 3's commitment was estimated at about R2,3bn. These would accrue to the CEF and meant that the fund's future financing requirements for the synthetic fuel schemes was well within reach. [Text] [Johannesburg BUSINESS DAY in English 7 Mar 86 p 2] /13104

RISING UNEMPLOYMENT DRAINS FUND--SA's growing number of unemployment cost the Unemployment Insurance Fund (UIF) more than R300m last year, according to Unemployment Insurance Commissioner Jack Scheepers. During the first three months of 1985, the funds expenditure exceeded income by about R6m a month. The demands gradually increased because of continued recession, until by September-October, the claims paid exceeded income by between R14m and R15m a month. During the year, the fund's investments plunged from R242m and R133m. Had it not been for the R75m allocated by government to meet the increasingly heavy demand caused by rising unemployment, the UIF would have suffered a further serious drain. The number of beneficiaries last year reached a record



figure of 426 000. They received more than R300m in benefits. This compared with 303 800 beneficiaries who received R195,9m in 1984. Scheepers said higher contributions from employees - from 0,5% of income to 0,7% - and the raising of the income ceiling for benefits from R21 600 to R26 000 a year, were expected to increase the fund's income by between R10m and R11m a month. "With investment assets of R133m and what remains of the government's R7m grant, together with the increased income, we should see the year out without having to sell off any more of our investment," Scheepers said. Economists pointed out that the number of unregistered unemployed who did not qualify for benefits could be as high as 1,5-million. The growing number of new workers coming on to the labour market every year - estimated at about 300 000 - also had to be taken into account. [Text] [Johannesburg BUSINESS DAY in English 7 Mar 86 p 2] /13104

TRACTORS UNVEILED--Three South African-built and designed tractors were unveiled by the managing director of Agrico, Mr Theo Andrag, at a special launch in Lichtenburg yesterday. The tractors, with a high local content, are fitted with Ade 407 and 409 engines, according to the public relations officer for Atlantic Diesel Engines, Mr Andre van der Zwan. This is the first time Ade has put its 407 on the market. [Text] [Johannesburg THE CITIZEN in English 22 Mar 86 p 5] /13104

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